

**THE RELATIONSHIP BETWEEN JOB INSECURITY, JOB
SATISFACTION AND ORGANISATIONAL COMMITMENT IN
A TELECOMMUNICATION ORGANISATION**

**By
Sambosivan Pillay**

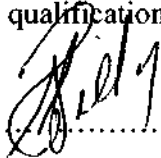
Supervisor: Dr. Karen Ortlepp

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Declaration

I, Sambosivan Pillay, hereby declare that this dissertation is my own original work and that all sources have been accurately reported and acknowledged, and this document has not previously in its entirety or in part been submitted at any university in order to obtain an academic qualification.

Signed:.......... on this 30 day of September 2006.

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EXECUTIVE SUMMARY

South African companies are being exposed more than ever to the effects of the world economy, technological advancement, and tough international competition. Organisations are confronted with ever increasing, turbulence and change in their environment and the telecommunications market in particular has had to face large changes and challenges during the past ten years, and will continue to do so. This industry is changing shape with the continuous emergence of new technologies and the rapidly declining market for voice service is due to people increasingly using wireless telephones.

Organisations have two options to become more profitable, they can either increase their gains or decrease their costs, often by reducing the number of employees. A vast number of organisations have engaged in restructuring and large-scale workforce reductions in order to cut costs and improve organisational effectiveness and competitive stability.

Millions of workers have been retrenched, while others have become involuntarily part-time unemployed, hired on temporary employment contracts, or experienced “a fundamental and involuntary change in their sets of beliefs about the employing organisation and their place in it” (Sverke and Hellgren, 2002, p.24). For many employees, the changes in working life that have been witnessed over the past two decades have caused feelings of insecurity concerning the nature and future existence of their jobs. Job insecurity is often defined as the perceived threat of job loss or the loss of valued aspects of a job, and is generally viewed as a highly stressful experience for employees.

Research has shown that job insecurity has detrimental effects for both employees and organisations. Job insecurity is, first of all, related to several work related attitudes and behaviours of employees. Relationships have been found between job insecurity and reduced job satisfaction, reduced organisational commitment, reduced organisational trust and intention to leave the organisation. Furthermore, job insecurity is negatively related to employees’ well-being and health.

A leading telecommunication company in South Africa laid off 34500 out of its 61000 employees between 1999 and 2005 and the appointment of a second fixed line operator in South Africa, have given rise to concern among its employees that retrenchments may be resumed in this company. The primary aim of this study was to investigate the relationship between job insecurity, organisational commitment and job satisfaction of employees in this organisation. A further objective of the study was to determine whether the levels of job insecurity differ in terms of demographic variables such as age, gender, marital status, race, education, position in the organisation and tenure in the organisation.

A cross sectional correlational research design was adopted in this study, using a quantitative research format. It was impossible to survey all 25500 people in the selected telecommunication organisation because of financial and time constraints, therefore the Pietermaritzburg branch of this organisation was chosen as the sample which comprises 226 employees who were retained after the first and second wave of downsizing. The researcher made use of structured questionnaire comprising 3 standardised measuring instruments. A response rate of 70.1% was achieved. The data obtained from the questionnaire was analysed using the computer statistical software package version 13 (SPSS). The results of the present study indicated that there is a relationship between job insecurity, organisational commitment and job satisfaction and also revealed that age, gender, marital status, race, education, position in the organisation and tenure do contribute to the variations with job insecurity among employees. Gender was found to have no significance with regards to job insecurity.

A number of recommendations were given on how to prevent the negative impacts of job insecurity from occurring and recommendation for future research was provided.

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CHAPTER ONE

1.1 INTRODUCTION

“South African companies are being exposed more than ever to the effects of the world economy, technological advancement, and tough international competition. Tremendous pressure is placed on organisations to improve their performance and to become increasingly competitive. In such a competitive environment, the first fundamental consideration for most organisations is their profitability. In order for them to gain competitive advantage, companies need to determine sources of cost saving” (Buitendach and De Witte, 2005, p.27).

Barnard and Schaap (2005, p.71) highlight the fact that organisations are confronted with ever increasing turbulence and change in their environment and the telecommunications market in particular has had to face large changes and challenges during the past ten years, and will continue to do so. This industry is changing shape with the continuous emergence of new technologies and the rapidly declining market for voice service is due to people increasingly using wireless telephones (Anthony, Kacmar and Perrewe, 2002, p.434). Twenty years ago, stand-alone services dominated this environment and conventional voice telephony accounted for the overwhelming majority of all communication traffic (Barnard and Schaap, 2005, p.71). However, these services have since developed into telecommunications markets in a highly competitive global environment, which requires them to focus on mass-market business products requiring leading edge expertise (Szlichcinski, 2001, p.377). Greenberg and Baron (2000, p.559) emphasise that one obvious effect of modern technology is that it makes people so highly efficient, the need for some positions is eliminated, thereby leading to unemployment.

According to Goslinga, Hellgren, Chirumbolo, De Witte and Sverke (2005, p.72) the past decades have witnessed a growth of the number employees who are confronted with job insecurity. They mention that the 1980s saw many large scale reorganisations and downsizing

efforts that meant mass layoffs in many companies in industrialised countries. In the 1990s the need for more (internal) flexibility of companies resulted in a growth of temporary or contingent contracts (Goslinga *et al*, 2005, p.72). Job insecurity, often defined as the perceived threat of job loss or the loss of valued aspects of a job, is generally viewed as a highly stressful experience for employees (Bosman, Buitendach and Laba, 2005, p.32).

As noted by Ndlovu and Parumasur (2005, p.14) recent organisational transformation have included the redrawing of divisional boundaries, flattening of hierarchic levels, spreading of span of control, reducing product diversification, revising compensation, streamlining processes, and reforming governance. Hence, organisational transformation comes with significance changes in the organisational structure of the firm, including divisional redesign and employment downsizing (Mullins, 2002, p.22). Ndlovu and Parumasur (2005, p.14) describe downsizing as a practice of reducing an organisations size through extensive layoffs. They go on to say that organisational downsizing involves abolishing whole layers of the organisation and managing with fewer people.

1.2 IMPLICATION OF JOB INSECURITY

According to McBain (1999, p.25) the ability to attract and retain good people is set to become even more important for organisations. Changes in the environment in which organisations operate will make the supply of good people more problematic at precisely the time when the demand is increasing.

According to Burke and Cooper (2000, p.137) layoffs have serious operational disadvantages:

- ✿ good people may move to a more stable work environment;
- ✿ fear of losing their jobs creates stress in employees;
- ✿ the company acquires the reputation for having little regard for its people;
- ✿ the company gets a poor image in the community and other companies; and

- ✚ employees may see unions as increasingly attractive.

According to Dykema (2006, p.4) a leading telecommunications company in South Africa laid off 34500 out of its 61000 employees between 1999 and 2005. He goes on to say that the expiry of the moratorium in the near future in this company, and the appointment of a second fixed line operator in South Africa, give rise to concern among employees that retrenchments may be resumed in the company. Molotsan (Telkom, 2005, p.1) explains that the success of telecommunication companies becoming world-class communication companies lies in the hands of their employees. However, according to Dykema (2006, p.4) layoffs during the past years in telecommunication companies have had a profound effect on employees that survived the wave of downsizing. Ndlovu and Parumasur (2005, p.15) believe that the process of downsizing increases the burden upon those who remain, that is, the survivors thereby, placing a premium on commitment. They explain that a prolonged period of downsizing creates a climate of intensified work regimes and a breakdown in the traditional career ladder, resulting in commitment based on fear rather than loyalty to the organisation. Finnemore (1999, p.53) claims that job security is a major concern to employees as retrenchments may result in lifetime unemployment as few other job opportunities exist.

Vermeulen (2005, p.40) explains that the International Labour Organisation distinguishes between termination of employment in two ways:

- ✚ owing to the conduct or capacity of workers; and
- ✚ based on the operational requirements of the organisation.

Retrenchment falls into the latter category. Retrenchments are dismissals of employees, based on organisational requirements rather than on the individuals' abilities or behaviours. Redundancy generally refers to the loss of jobs due to change in technology (Vermeulen, 2005, p.40). In this study, the term "retrenchment" is used to refer to both the process of job elimination (redundancy) and termination of the person (retrenchment).

According to Vermeulen (2005, p.40) the results of job loss due to retrenchment have been studied by a number of psychologists and human sciences researchers, such as De Witte (1999), Feldman (2003), and Waters (2001). Their findings reveal that retrenchment indisputably has traumatic effects on the retrenched individual and their families. The employees in the company who manage to survive, the company itself and the community also experience the negative effects of retrenchment actions. Laubscher (1999, p.14) claims that retrenchment is a painful and traumatic experience to most employees, “not only because of subsequent or anticipated financial difficulties, but also as a result of the intensive way in which retrenchments are handled by organisations”.

1.3 AIM OF THE STUDY

The primary aim of the study was to investigate the relationship between job insecurity, organisational commitment, and job satisfaction of employees in a large South African telecommunication company that underwent a wave of downsizing between 1999 and 2005. A further objective of the study was to determine whether the levels of job insecurity differ in terms of demographic variables such as age, gender, marital status, race, education, position and tenure in the organisation.

The present study seeks to test the following main hypotheses:

H1: The greater the job insecurity, the lower the organisational commitment

Research has indicated that people develop affective and attitudinal attachment to organisations over time (Sverke and Hellgren, 2002, p.24), which shows up as high levels of commitment. The hypothesis finds support in the literature by Buitendach and De Witte (2005, p.33).

H2: The greater the job insecurity, the lower the job satisfaction

Job insecurity is consistently associated with a reduced level of job satisfaction. For example, job insecurity has been found to be negatively related to job satisfaction (Buitendach and De Witte, 2005, p.33).

H3: Older employees experience higher levels of job insecurity than younger employees

Mohr (2000, p.339) found a strong positive relationship between age and job insecurity, showing that older employees experience higher job insecurity than younger employees.

H4: Males experience higher levels of job insecurity than females

De Witte (1999, p.161) found that the experience of job insecurity is less distressing for most women compared to men.

H5: There are differences between the marital status groups with respect to job insecurity; married people experience higher levels of job insecurity than single people

Married women with children, in general experience their unemployment in a less negative way than men, a finding that has been replicated in Belgium (De Witte, 1999, p.161).

H6: There are differences between the race groups with respect to job insecurity; White people experience higher levels of job insecurity than Black people

White employees experience higher levels of job insecurity than Black employees. However Buitendach *et al* (2005, p.14) found that higher levels of job insecurity exist among Black employees in South Africa.

H7: There are differences between the education groups with respect to job insecurity; individuals with higher education tend to experience lower levels of job insecurity

Individuals with a grade 12, a diploma or a degree showed lower levels of job insecurity than individuals with a qualification lower than grade 12 (Buitendach *et al*, p.13; Manski and Struab, 2000, p. 448).

H8: There are differences between the job positions that employees hold with respect to job insecurity; individuals with higher positions tend to experience lower levels of job insecurity

According to De Witte (1999, p.161) research in Belgium consistently shows that the experience of unemployment is more negative among blue collar workers than among White-collar workers.

H9: There are differences between the tenure groups with respect to job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity.

Hellgren and Sverke (2003, p.219) reported that employees with shorter tenure are more likely to experience higher levels of job insecurity.

The researcher felt that it was necessary to test the above hypotheses as the selected telecommunication company had undergone a huge wave of downsizing between 1999 and 2005. Approximately 34500 employees were laid off, the expiry of the moratorium in the near future and the appointment of a second fixed line operator could have caused uncertainty in the employees regarding their future, hence the need for this study as job insecurity has been shown to have a number of negative consequences at both the individual and organisational levels.

De Witte (2005, p.1) highlights the fact that employees who feel uncertain cannot adequately prepare themselves for the future, since it is unclear to them whether actions should be undertaken or not. Insecure employees are uncertain about whether they will retain or lose their current job; they are “groping in the dark” as far as their future within the organisation is concerned. According to Ndlovu and Parumasur (2005, p.14) employees who survive retrenchment (survivors) show emotions and responses that include shock, disbelief, betrayal,

animosity towards management and concern about colleagues, which find expression in decreased motivation, lower morale, guilt and fear about security.

1.4 ANTICIPATED CONTRIBUTION OF THIS STUDY

Managers should concentrate on decreasing the levels of perceived job insecurity among the members of their staff, as it can result in higher levels of job satisfaction and organisational commitment. The results of the current study could be used to construct recommendations for the selected organisation to decrease job insecurity. Burke and Cooper (2000, p.141) mention that the benefits of stable employment outweighs the financial gains from layoffs. He goes on to say that the main benefit of having a work force that feel secure is that employees who feel secure in their jobs are more productive, and have more commitment towards the organisation.

This study may assist to design programmes to address the negative impact on employees from the past downsizing waves, and the results could also help to design more mentally challenging work for them. Jobs that have too little challenge create boredom, but too much challenge creates frustration and a feeling of failure. Under conditions of moderate challenge, most employees will experience pleasure and satisfaction (Burke and Cooper, 2000, p.141).

Furthermore, studies conducted to help understand the nature of the relationships between job security, and both organisational commitment and job satisfaction should provide managers with valuable information. This information could be used to develop plans to inspire and retain organisational commitment thereby leading to enhanced employee performance.

Finally, this study can help the selected organisation to take measures to prevent the most negative effects of job insecurity by providing accurate information, enhancing communication, preparing for alternative employment, and training their employees to cope with stress created by insecurity.

1.5 ORIENTATION TO THE STUDY

The researcher has structured the dissertation according to the following chapters:

CHAPTER TWO: LITERATURE REVIEW ON JOB INSECURITY, JOB SATISFACTION AND ORGANISATIONAL COMMITMENT

This chapter reviews the literature, which relates to job insecurity and provides a theoretical basis of this study. It also highlights previous research conducted on job insecurity, job satisfaction, and organisational commitment.

CHAPTER THREE: THE SITUATION IN THE SELECTED COMPANY

This chapter gives a brief history of the selected company the competition and challenges it faces of becoming world-class, the effect of downsizing, and the justification for the research.

CHAPTER FOUR: RESEARCH METHODOLOGY

This chapter discusses the research methodology that was used to collect primary data for this research, as well as the approach and strategy that was utilised to collect data. Furthermore, the questionnaire and the sampling method that was used for collecting the data, the measuring instruments, and the analysis of the data are discussed.

CHAPTER FIVE: RESULTS

The data obtained from the survey questionnaires were analysed and the findings are stated. The various statistical tests used to test the data are discussed. The research findings are presented as per objective of the study.

CHAPTER SIX: DISCUSSION

This chapter discusses the results obtained from the survey.

CHAPTER SEVEN: RECOMMENDATIONS

This chapter presents recommendations for the way forward.

CHAPTER EIGHT: LIMITATIONS AND RECOMENDATIONS FOR FUTURE STUDY

This chapter highlights the limitations to the research study, and provide recommendations for future research.

CHAPTER NINE: CONCLUSION

This chapter provides a conclusion to the research study.

CHAPTER TEN: REFERENCES

A list of references that were used in this study are presented.

CHAPTER TWO

LITERATURE REVIEW ON JOB INSECURITY, JOB SATISFACTION AND ORGANISATIONAL COMMITMENT

2.1 INTRODUCTION

A review of literature, together with empirical studies which have been conducted on job insecurity, organisational commitment, and job satisfaction form the core focus of this chapter.

Bosman *et al* (2005, p.32) mention that over the last four decades of the 20th century, the nature of work has changed dramatically. The 1960s and 1970s saw the introduction of new technology, such as the use of computers into the workplace (Sparks, Faragher and Cooper, 2001, p.489). This was followed in the 1980's by a huge shift towards globalisation, with many organisations undergoing mergers, acquisitions, strategic alliances and privatisation (Burke and Cooper, 2000, p.4). In the 1990's, a major restructuring of work started to take place (Bosman *et al*, 2005, p.32); organisations in countries hit by recession were downsizing or delayering in an effort to survive (Sparks *et al*, 2001, p.489). During, the last decade, this trend for restructuring and downsizing has continued in many organisations, together with an increase in sub-contracting and outsourcing, in order to compete successfully in the increasing competitive global market (Bosman *et al*, 2005, p.32). Buitendach, Rothmann and De Witte (2005, p.7) state that for some employees, trends towards more unpredictable and flexible labour markets may have fuelled feelings of job insecurity concerning the nature and continuity of their jobs while for other employees flexibility may have led to the perception of further opportunities.

According to De Witte (2005, p.1) research on job insecurity has been fairly scarce in South Africa thus far. Buitendach *et al* (2005, p.7) mention that a major reason for this neglect is that job insecurity is a highly sensitive topic and many organisations are reluctant to become involved in such studies. However a number of researchers (e.g. Sverke and Hellgren, 2002, p.24 ; Buitendach *et al*, 2005, p.7) have argued that the definition and measurement of job insecurity

would benefit from encompassing concerns about deteriorated employment conditions and career opportunities in addition to threats of imminent job loss.

2.2 JOB INSECURITY

Buitendach *et al* (2005, p.7) state that working life has been subject to dramatic change over past decades as a result of economic recession, new information technology, industrial restructuring, and an accelerated global competition. At organisational level, the need to adapt to leaner times and to cut back has often meant more flexible use of labour, e.g. shorter tenure, temporary and part time work (De Witte, 1999, p.156).

Sverke and Hellgren (2002, p.24) mention that because of these dramatic changes, millions of workers have been displaced while others have become involuntarily part-time unemployed, hired on temporary employment contracts, or experienced “a fundamental and involuntary change in their sets of beliefs about the employing organisation and their place in it”. They go on to say that for many employees, the changes in working life that have been witnessed over the past two decades have caused feelings of insecurity concerning the nature and future existence of their jobs.

Organisations have, as noted by among others Sverke and Hellgren (2002, p.25) two options to become more profitable, they can either increase their gains or decrease their costs, often by reducing the number of employees. A vast number of organisations have engaged in restructuring and large-scale workforce reductions in order to cut costs and improve organisational effectiveness and competitive stability (Burke & Cooper, 2000, p.3). Indeed, downsizing or “rightsizing” appears to be the standard solution in organisational attempts at improving organisational effectiveness and reducing labour costs. (Sverke and Hellgren, 2002, p.24) As a consequence, millions of jobs have been eliminated, and the negative consequences of unemployment are well documented (Sverke and Hellgren, 2002, p.26).

Research shows that job insecurity has detrimental effects for both employees and (the productivity and efficiency of) organisations (Sverke, Hellgren and Näswall, 2002, p.243). Job insecurity is, first of all, related to several work related attitudes and behaviours of employees

(Goslinga *et al*, 2005, p.72). Relationships have been found between job insecurity and reduced job satisfaction (Ashford, Lee and Bobko, 1989, p.816; Hellgren, Sverke and Isaksson, 1999, p.180; Buitendach and De Witte, 2005, p.33), reduced organisational commitment (Ashford *et al*, 1989, p. 816; Buitendach and De Witte, 2005,p.33; Sverke and Hellgren, 2002, p.24), reduced organisational trust (Ashford *et al*, 1989,p.816), and intention to leave the organisation (Sverke and Goslinga, 2003, p.242). Furthermore, job insecurity is negatively related to employees' well-being and health (De Witte, 1999, p.158). Several studies show that insecure employees report lower levels of psychological well-being than secure employees (De Witte, 1999, p.158). Feelings of mental, emotional and physical exhaustion (burnout) have also been found to be related to job insecurity and a number of studies indicate that employees who are insecure about their job report physical health complaints more often than employees who feel secure about the future of their job (Hellgren *et al*, 1999, p. 181).

2.2.1 DEFINITION OF JOB INSECURITY

According to the global view, job insecurity relates to people in their work context, who fear they might lose their jobs and become unemployed (De Witte, 1999, p.156). Sverke and Hellgren (2002, p.25) define job insecurity as a discrepancy between the levels of security people experience and the level they might prefer. Hui and Lee (2000, p.216) describe job insecurity as the lack of control to maintain desired continuity in a threatened job situation. Greenhalgh and Rosenblatt (1984, p.438) conceptualised job insecurity as a source of stress involving fear, potential loss, and anxiety. They defined job insecurity as an experience of being "powerless to maintain desired continuity in a threatened situation". Preuss and Lautsch (2003, p.518) define the experience of job insecurity as "a perceptual phenomenon resting entirely on the individual's subjective evaluation that there is a potential threat to his or her job security".

Buitendach and De Witte (2005, p.28) describe job insecurity as the concern felt by a person for the continued existence of his/her job and identify three components which are central to job insecurity:

1. subjective experience or perception;
2. uncertainty about the future; and

3. doubts concerning the continuation of the job as such.

One general theme underlying the various definitions of job insecurity is that job insecurity is a subjective phenomenon; it is based on the individual's perceptions and interpretations of the immediate work environment (Buitendach *et al*, 2005, p.8). They explain that a focus on the individual's subjective experience implies a difference between perception and the objective reality, and highlights how interpretations form the subjective reality. The same situation might be perceived differently by different employees, some will feel insecure when there is no objective reason to, while others may feel secure when their jobs are in fact threatened.

De Witte (2005, p.2) differentiate job insecurity between the cognitive probability of losing one's job (e.g. 'I think that I will be dismissed'), and the affective experience thereof (e.g. 'I am worried that I will become unemployed'). Hellgren *et al* (1999, p.182) differentiate between quantitative and qualitative job insecurity. Quantitative job insecurity refers to continuity or loss of job itself. People are uncertain about whether they will be able to retain their actual job or become unemployed. Qualitative job insecurity refers to insecurity regarding the continued existence of valued aspects of the job, such as pay, working hours, colleagues and the job content (e.g. autonomy, responsibility). Research focused on the differential consequences of cognitive versus affective job insecurity and of quantitative versus qualitative insecurity (Hellgren *et al*, 1999, 182). This review of the literature however, will concentrate on quantitative job insecurity.

According to Buitendach and De Witte (2005, p.28) people develop affective and attitudinal attachments towards their workplace over time, which show up as high levels of commitment, satisfaction, and trust. Feelings of job insecurity may threaten these basic attachments, such as commitment, satisfaction, and trust. A downward spiral is created, where productivity decreases and absenteeism increases, which might result in the competitive strength of the company being undermined (Rosenblatt, Talmud and Ruvio 1999, p.198).

2.2.2 THE NATURE OF JOB INSECURITY

Sverke and Hellgren (2002, p. 26) mention that it can readily be assumed that employees will react to the gradually changing characteristics of employment conditions and jobs. However, an individual's reactions will depend on a number of factors, such as labour market characteristics, employability, individual characteristics, family responsibility, age, gender, and etcetera. For instance, employees who feel that they could easily get other jobs may view the changing nature of work positively. On the other hand, those who have economic responsibility for their family or who feel that they would have difficulties finding new jobs may react negatively.

According to Buitendach *et al* (2005, p.8) for many individuals, work is a central factor for the satisfaction of economic and social needs. This is because among other things, work provides a source of income, enables social contacts, influences the structuring of time, and contributes to personal development. The perceived threat of employment involves the frustration of these needs and the potential loss of important financial and social resources (De Witte, 1999, p.157). Research suggests that the consequences of job insecurity could be as detrimental as the job loss itself (Rosenblatt *et al*, 1999, p.199). This is consistent with the central proposition of stress research that anticipation of a stressful event represents an equally important, or perhaps even greater, source of anxiety than the actual event (De Witte, 1999, p.157).

However, according to Yousef (1998, p.184) the majority of previous studies on work attitudes have concentrated largely on overall job satisfaction and its linkages with organisational commitment, job performance and other work-related outcomes. For instance, a large body of research has investigated the linkages between overall job satisfaction and organisational commitment (Mowday, Porter and Steers, 1982, p.56). He goes on to say that the linkages between overall job satisfaction and job performance have also received substantial attention in the literature. None-the less, job insecurity, as mentioned earlier, has attracted little research interest.

2.2.3 JOB INSECURITY AND BACKGROUND CHARACTERISTICS

Buitendach *et al* (2005, p.9) describe job insecurity as a subjective experience, where individuals perceive a threat to their employment or current working situations. They go on to say that this perception of threat may arise during turbulent times, when there are clear signals from the organisation of upcoming changes. However, individual employees may perceive their situation as threatened that is, experience job insecurity even if there is no apparent objective threat.

Demographic variables are often considered as 'positional' variables, because they determine the position of the employee in a given company or firm (Buitendach *et al*, 2005, p.9). The identification of background variables that correlate with the experience of job insecurity is of practical relevance, because it helps to identify specific risk groups in the working population (Näswall and De Witte, 2003, p.190). These risk groups could become target groups for a policy oriented intervention from the government, in an attempt to reduce job insecurity and its consequences for these groups.

According to (Sverke *et al*, 2005, p, 40) a subjective perception such as job insecurity is likely to be interpreted in different ways by different people that is; employees in the same objective work situation will experience different levels of job insecurity, depending on their interpretation of the situation. When a threat is considered serious, the level of job insecurity is likely to be higher. Employees who feel that losing their job would be very serious would probably experience higher levels of job insecurity than employees who consider themselves able to handle job loss (Buitendach *et al*, 2005, p.9). They go on to say that the extent to which individuals feel they possess these necessary resources for handling the consequences of a realised threat differs from person to person. Various groups may not necessarily have the same perceptions of what resources are available to them, which would result in different levels of job insecurity.

This raises questions of why some individuals are more prone to be anxious about job loss. Therefore for the purpose of this research, the researcher will focus on background characteristics such as age, gender, marital status, race, education, position in the organisation and lastly tenure in the organisation.

2.2.4 AGE

Research suggests that age is positively related to job insecurity; as such older employees experience higher levels of job insecurity and studies have shown that the negative effect of job insecurity on mental well-being is greater for older employees (Hellgren and Sverke, 2003, p.215). Mohr (2000, p.338) found a strong positive relationship between age and job insecurity, showing that older employees experience higher job insecurity than younger employees. Lok and Crawford (1999, p.595) found that age had a statistically significant positive effect on organisational commitment. According to Buitendach *et al* (2005, p.9) younger persons usually have more alternatives, and companies value youth and competence, whereas older employees tend to experience more job insecurity than their younger colleagues, because they have fewer alternatives on the labour market. As a consequence, age may influence an employee to appraise the alternatives in the labour market differently.

Research conducted on the consequences of unemployment shows that unemployment is more distressing for respondents between approximately 30 and 50 years (De Witte, 1999 p.162). Various reasons might explain why younger workers experience less problems with unemployment, e.g. they have less financial responsibilities, and better prospects of finding a job in the future (Labuschagne, Bosman and Buitendach, 2005, p.26). Unemployment forces them to maintain their “youth role”, with fewer responsibilities, for a while longer. This role is well known to them. According to De Witte (1999, p.162) older workers can prepare themselves for a new role; that of retirement. The ever increasing number of workers over 50 who are already retired makes it easier to adapt to this new role. But for workers between 30 and 50 years of age, the consequences of unemployment are more severe. Their family responsibilities and their reduced financial resources are more burdening and their position of ‘unemployed’ is socially less legitimated. Age is therefore an important variable to consider in any study focusing on job insecurity because of its potential to help in identifying specific risk groups in the organisation.

2.2.5 GENDER

The last twenty years have seen organisations undergo sweeping changes. The participation of women in the labour market has increased dramatically, and so has the range of occupation in which women are employed (Burke and Cooper, 2000, p.122). Näswall and De Witte (2003, p.190) mention that most of the studies on job insecurity “have focused almost exclusively on male workers” adding that “the pattern of full employment without interruption is predominantly a male pattern and, for example, it could be that males as a group react to and cope with job insecurity differently from women”. However, little research exists on the impact of job insecurity on women.

A few researchers (Bridges, 1989; Elizur, 1994; Tolbert and Moen, 1998, cited in Burke and Cooper, 2000, p.124) have found gender differences in the importance of job insecurity, but in opposite directions. Elizur (1994) showed that females ranked the importance of job insecurity higher than males did while Bridges (1989) and Tolbert and Moen (1998) found that males attributed higher importance to job insecurity than females did cited in Burke and Cooper (2000, p.124). According to Rosenblatt *et al*, (1999, p.198) ample evidence shows that work values of males and females differ. They mention that in a seven country study including Israel they found that males were significantly higher than females in their ratings of the opportunity to learn and in autonomy. Females gave higher ratings of values such as interpersonal relations, working conditions, convenient work hours, interesting work and match between person and job. In another study, focused on work values of Israeli workers, Rosenblatt *et al* (1999, p.198) reported that males valued instrumental aspects of work more than females, and had a greater obligation to work. Females on the other hand, had a stronger preference for social contact at work, and valued convenient work hours more than males. These results show that whereas males tend to emphasise extrinsic work factors, females emphasise intrinsic ones.

Research on the consequences of job insecurity in which gender effects are analysed is scarce. Yet, the longitudinal study of Näswall and De Witte (2003, p. 194) revealed less deterioration in self-reported health among insecure women than among insecure men. This could suggest that the experience of job insecurity is less distressing for most women compared to men.

Rosenblatt *et al* (1999, p.198) investigated gender effects on job insecurity in a sample of 385 Israeli school teachers, 263 women and 112 men. They found that gender affected both the experience of job insecurity and its impact on work attitudes. Men were more insecure than females. Gender differences were also found in the profile of job insecurity, men emphasised financial concerns and making significant impact, whereas women expressed concerns about intrinsic facets of their jobs such as work content and work schedule (Burke and Cooper, 2000, p.125).

According to Burke and Cooper (2000, p.125) job insecurity affected work attitudes differently for men and women: for women, all the investigated job attitudes (commitment, tendency to quit, resistance to quit, resistance to change, perceived performance and perceived organisational support) were adversely affected by job insecurity, whereas for men, only commitment, intention to leave, and resistance to change were affected.

In the South African context, the new socio-political dispensation, with aspects such as Employment Equity and Affirmative Action, one could expect gender to be associated with job insecurity. It can be assumed that those least advantaged by such legislation (e.g. men) will experience higher levels of job insecurity than those who benefit from this new legislation (e.g. women) (Buitendach *et al*, 2005, p.10).

Therefore, gender is clearly an important variable to consider when doing research on job insecurity in South Africa in light of the Employment Equity Act No.55 of 1998 and the findings of the above mentioned empirical studies.

2.2.6 MARITAL STATUS

De Witte (1999, p.161) concluded that unemployment is as distressing for women as for men, when the woman is single, or when she is the sole wage-earner in the family. Married women with children, however, in general experience unemployment in a less negative way than men, a finding that has been replicated in Belgium, (De Witte, 1999, p.161). This difference between men and women can partly be explained by role theory (De Witte, 1999, p.161), for married men,

work (and thus earning money for their family) is still the core of their role in society, whereas the availability of an alternative role (such as taking care of the household and the children) can make unemployment less distressing for (young married) women. Hellgren and Sverke (2003, p.219) report that being married, or cohabiting, could also buffer against the negative consequences of job insecurity since living with a partner represents a source of potential social support and also makes the individual less dependant on a single income.

Näswall and De Witte (2003, p.194) suggest that those living with someone may also benefit from the social support provided by their family, or partner, which buffers against the experience of job insecurity during times when there is a perceived threat against the continued employment. Thus the family situation will affect how much job insecurity the employee experiences. Näswall and De Witte (2003,p.194) also state that those with family responsibility, operationalised as those with children at home, will feel a threat of loss of job more acutely, and experience higher levels of job insecurity. They also mention that those with a partner will exhibit less job insecurity than those without a partner.

2.2.7 RACE

According to Buitendach *et al* (2005, p.10) higher levels of job insecurity could currently be expected in Whites because of the implementation of the Employment Equity Act No. 55 of 1998. This new legislation created new job opportunities for Black workers, whereas White and even Coloured and Indian workers face fewer employment opportunities. Manski and Straub (2000, p.449) found considerable differences between job insecurity of different race groups, with the job loss concern among Black group being almost double that of the White group.

In her research, Storm (2002 cited in Bosman *et al*, 2005, p.33) found that Indian participants experienced the highest level of exhaustion followed by White and Black participants in a financial institution which underwent downsizing. Coloured participants experienced lowest levels of exhaustion. Wissing and van Eeden (2002, p.33) found significant differences between the scores of Black and White groups on indices of psychological well-being, noting that these differences may result from different socio- cultural backgrounds, idiosyncratic factors and life

circumstances. Antonovsky (1979) cited in Bosman *et al* (2005, p.33) indicated that resistance resources are lower in historically Black communities. Consequently people from these groups are more prone to stress and have a lower sense of coherence in regards to job insecurity.

Although limited South African research exists in respect of race and job insecurity, it could be expected that within the South African context, with the current legislation such as the Employment Equity Act No. 55 of 1998, job insecurity might be considerably higher among White employees. However, the findings of Buitendach *et al* (2005, p.14) show that higher levels of job insecurity exist among Black employees in South Africa. Race is therefore a variable that needs to be included in studies exploring the nature and impact of job insecurity.

2.2.8 EDUCATION

The level of education completed influences the number of choices that workers have in the labour market. Buitendach *et al* (2005, p.9) mention that individuals with higher education tend to experience lower levels of job insecurity. They suggest that since White-collar workers and professionals usually have higher qualification levels, they will be less vulnerable to job loss than employees with lower levels of qualifications.

Näswall and De Witte (2003, p.190) mention that the level of education of employees, and their related occupational position (e.g. blue versus White-collar workers) is a clear example of an indicator of a weak labour market position. It thus comes as no surprise that blue collar workers and low skilled individuals experience more job insecurity than White-collar workers or high skilled employees.

Manski and Struab (2000, p.448) found that job insecurity tends to decrease with schooling. Labuschagne *et al* (2005, p.27) is of the opinion that the threat of job loss should be less problematic for the more highly educated, as such occupational groups possess more resources to counteract the adverse consequences of unemployment. Hellgren and Sverke (2003, p.219) highlight the fact that those who have completed higher levels of education tend to experience less job insecurity, whereas those with less education are more vulnerable to threats of job loss

since they lack the skills and knowledge required to enable them to have a greater choice. Näswall and De Witte (2003, p.195) suggest since non-manual workers usually have higher educational levels, they will not be vulnerable to job loss as those with lower levels of education.

The education level of employees is an important variable to consider when doing research on job insecurity as it may affect how many choices they have in the labour market. It seems reasonable to expect that those with less education, will lack skills and knowledge required for employment outside the organisation, and therefore will be more insecure in their jobs.

2.2.9 POSITION IN THE ORGANISATION

Orpen (1993) cited in De Witte (1999, p.161) found similar correlations between job insecurity and both anxiety and depression for managers and for production workers, even though, in general, the jobs of the managers were more secure than those of the blue collar workers. Roskies and Louis-Guerin (1990, p.346) argue that managers might react more strongly to the threat of job loss, because they believe in “meritocratic individualism”, that is “people get what they deserve”. Any career setback would therefore, lead to guilt, self doubt, and despair, and thus to a decrease in well-being. According to De Witte (1999, p.161) research conducted mainly in Belgium consistently shows that the experience of unemployment is more negative among blue collar workers than among White-collar workers.

King (2000, p.79) mentions that one of the more dramatic outcomes of the recent wave of restructuring is that White-collar workers who have assumed that their positions were secure now have to deal with potential or actual job loss. Observers assert that since job insecurity represents a violation of the White-collar workers’ psychological contract, job insecurity will be associated with negative reactions such as decreased loyalty and work effort (King, 2000, p.82).

Multiple studies confirm that unemployment is a severe stressor for managers than for other categories of workers, with unemployed managers showing the same rises in anxiety and depression that unemployed workers do in general (Roskies and Guerin 1990, p.347). Oshagbemi (1997, p.511) emphasises that position is a reliable predictor of job insecurity with workers at

higher positions being generally more secure in their jobs compared with workers at lower positions.

2.2.10 TENURE IN THE ORGANISATION

Yousef (1998, p.190) found employees with less service in an organisation experienced more job insecurity than those employees who have long lengths of service. According to Hellgren and Sverke (2003, p.219) those employees with shorter tenure are more likely to experience higher levels of job insecurity because newcomers to an organisation are less stable in their role as employees and hence are more eager to survive in the organisation. As noted by Labuschagne *et al* (2005, p.27) , given the 'last in first out' policy followed by many organisations, increased tenure is expected to be associated with decreased job insecurity.

Lok and Crawford (1999, p.595) found that tenure had a small negative influence on organisational commitment, however Mathieu and Zajac (1990) cited in Bosman *et al* found that tenure was positively related with organisational commitment.

As stated earlier relationships have been found between job insecurity and reduced organisational commitment (Ashford *et al*, 1989, p.816; Hellgren *et al*, 1999, p.180; Buitendach and De Witte, 2005, p.33). A review of literature on organisational commitment follows.

2.3 ORGANISATIONAL COMMITMENT

Sverke and Hellgren (2002, p.24) indicated that people develop affective and attitudinal attachments towards their workplace over time, which show up as high levels of commitment. A feeling of job insecurity may threaten such basic attachments. Buitendach and De Witte (2005, p.35) examined the impact of job insecurity on organisational commitment, and reported that job insecurity leads to reduced commitment.

One of the greatest challenges facing business organisations in emerging markets is the effective management of scarce, highly skilled knowledge workers (Bagraim, 2003, p.13). South African organisations are now competing in an increasingly knowledge based global economy in which

workers are the core competitive resource (Boshoff and Mels, 2000, p. 256). According to Bagraim (2003, p.13) it has become imperative for business organisations to understand and manage the psychological mechanisms that elicit both commitment and superior performance from knowledge workers.

Organisational commitment has been defined as an individual's dedication and loyalty to an organisation (McMurray, Scott and Pace, 2004 p. 474). It is viewed as an important variable in facilitating the understanding of an employee's workplace behaviour (Hui and Lee, 2000, p.216). Researchers have discovered that commitment positively influences various organisational outcomes such as employee motivation, tenure on the job (reduced turnover and absenteeism), and accomplishment of organisational goals (Murray *et al*, 2004, p.474).

According to Mc Murray *et al* (2004, p.474) committed employees:

- ✚ tend to have better attendance records and longer job tenure than less committed employees;
- ✚ tend to work harder at their jobs and perform better than those with weak commitment; and
- ✚ will be more favourable than those with weak commitment.

Jones *et al* (1998, p.349) describe organisational commitment as the collection of feelings and beliefs that employees have about their organisation as a whole. They go on to say that employees who are committed to their organisation believe in what their organisation is doing, are proud of what the organisation stands for, and feel a high degree of loyalty toward the organisation. Furthermore, committed employees are more likely to go above and beyond the call of duty to help their company and are less likely to quit (Jones *et al*, 1998, p.349).

Dessler (1999, p. 58) defines organisational commitment as a:

- ✚ strong belief in and acceptance of the organisation's goals;
- ✚ willingness to exert considerable effort on behalf of the organisation; and

to continue working for an organisation because they agree with its underlying goals and value. They go on to say that people with high degree of affective commitment desire to remain in their organisation because they endorse what the organisation stands for and are willing to help in its mission.

2.3.2 CONTINUANCE COMMITMENT

Continuance commitment is the extent to which employees feel committed to their organisation because of the costs they perceive to be associated with leaving (Meyer and Allen, 1997, p.11). That is the extent of employees tendency to engage in consistent lines of activity based on their awareness of the costs associated with discontinuing the activity (Becker, 1960) cited in Bagraim (2003, p.14).

Greenberg and Baron (2000, p.182) explain continuance commitment as the strength of a person's desire to remain working for an organisation because of his or her belief, that it may be costly to leave. They go on to say that the longer people remain in their organisation, the more they stand to lose what they have invested in them over the years (e.g. retirement plans, close friendships). Many people are committed to staying in their jobs simply because they are unwilling to lose these things. Such individuals may be said to have a high degree of continuance commitment (Greenberg and Baron, 2000, p.183).

Meyer and Allen (1997, p. 12) argue that this seemingly behavioural nature of continuance commitment was consistent with their attitudinal approach, because the nature of continuance commitment is psychological, with awareness of costs being central to its definition.

Traditionally, people sought jobs that offered lifetime employment; many employees would stay on their jobs their whole working life, starting at the bottom, and working their way to the top (Greenberg and Baron, 2000, p.183). According to Tansky and Cohen (2001, p.285) the traditional employment contract that offered workers security in exchange for commitment is no longer valid in most cases. Often workers are aware that job security is no longer part of the

employment contract; therefore they may live in fear of being retrenched (Tansky and Cohen, 2001, p.285).

2.3.3 NORMATIVE COMMITMENT

Normative commitment is the belief that employees have a responsibility to their organisation (Meyer and Allen, 1997, p.11). An employee with a high level of normative commitment believes that commitment to the organisation is an appropriate, if not a moral, obligation (Meyer and Allen 1997, p.12). Normative commitment develops from experiences (e.g. culture management), benefits (e.g. training, study allowances), or family factors that fill employees with a sense that they ought to reciprocate with loyalty to the organisation (Meyer and Allen 1997, p.12). According to Greenberg and Baron (2000, p.183) normative commitment refers to an employee's feelings of obligation to stay with the organisation because of pressure from others. People with high degrees of normative commitment are greatly concerned about what others would think of them for leaving. They are reluctant to disappoint their employers, and they worry their fellow employees may think poorly of them resigning (Greenberg and Baron, 2000, p.183). This component of commitment has attracted very little research (Meyer and Allen, 1997, p.12).

Put simply, organisational commitment refers to people staying within the organisation because they want to (affective), because they need to (continuance), or because they ought to (normative) (McDonald and Makin, 2000, p.86).

2.3.4 FOCUSING ON AFFECTIVE COMMITMENT

According to Buitendach and De Witte (2005, p.28), over the past decade, the dimensionality of the commitment construct has enjoyed careful examination, and it is now widely accepted that organisational commitment is a multi-dimensional construct. Although organisational commitment has been conceptualised as a multi-dimensional construct, it is the measures based on the attitudinal approach which in previous studies have most frequently been validated and used (O'Reilly and Chatman, 1986; Price and Muller, 1981) cited in Buitendach and De Witte (2005,p.28).

Research however shows that one of the three dimensions is more relevant than the other two (Allen and Meyer, 1997). First of all, the measurement of affective organisational commitment is more reliable than the measurement of the other components. Even more important is the finding that affective organisational commitment is the most important explanatory variable of the three components; the affective dimension consistently explains more variance in outcome variables than the two other components (Allen and Meyer, 1996). As a consequence, many researchers restrict the measurement of organisational commitment to affective commitment, leaving the two other components aside. In this current study, the researcher will follow this tradition by only focusing on affective commitment as core concept of organisation commitment.

Studies that examine survivor's attitudes in the aftermath of corporate layoffs consistently indicate those survivors' job attitudes such as job satisfaction, job involvement, organisational commitment, and intention to remain with the organisation become more negative (Burke and Cooper, 2000, p.8). They go on to say that these negative reactions, combined with the fact that survivors must do more with less, make the aftermath of layoff difficult to deal with. The relationship between job insecurity and job satisfaction is demonstrated in the research of Buitendach and De Witte (2005, p.34), who found a significantly lower level of job satisfaction among employees who felt insecure. A review of the literature on job satisfaction follows.

2.4 JOB SATISFACTION

Probst and Brubaker (2001, p.139), found that job insecurity is associated with decreased levels of extrinsic and intrinsic job satisfaction. Heymans (2002, p.28), in a South African study, found that job insecurity is related to decreased levels of intrinsic and extrinsic job satisfaction. According to Yousef (1998, p.190) job insecurity has been linked to numerous important outcomes including employee health, psychological well-being, turnover, job satisfaction and organisational commitment. De Witte (1999, p.157), in research concerning a heterogeneous sample of employees, found a significantly lower level of job satisfaction among those who felt

insecure about their jobs. This has been supported by other research in the field Heany, Israel, and House (1994), Hartley *et al* (1991, p.81), cited in De Witte (1999, p, 157).

According to Labuschagne *et al* (2005, p.27) job satisfaction is a complex variable and is influenced by situational factors of job environment, as well as dispositional characteristics of an individual. Job satisfaction can be described as an affective or emotional reaction to the job resulting from the incumbent's comparison of actual outcomes with the required outcomes.

Hirschfeld (2000, p.256) explains that job satisfaction relates to the extent to which people like their jobs. Weiss, Dawis, England and Lofquist (1967) cited in Labuschagne *et al* (2005, p.27) "explains that employees seek to achieve and maintain correspondence with their environment. Job satisfaction thus relates to individuals' perceptions and evaluation of their jobs, while these perceptions are influenced by unique circumstances such as needs, values and expectations". People will therefore evaluate their jobs on the basis of factors, which they regard as being important to them (Sempane, Rieger and Roodt, 2002, p.23). According to Labuschagne *et al* (2005, p.27) common aspects of job satisfaction include "work, pay, promotion, recognition, benefits, working conditions, supervision, co-workers, company and management". Research (Hirschfeld, 2000, p.257) has shown that the different aspects of job satisfaction can be arranged according to two dimensions, being intrinsic and extrinsic job satisfaction. Extrinsic satisfaction refers to satisfaction with aspects such as pay, working conditions and co-workers, whereas intrinsic satisfaction refers to aspects such as variety and autonomy.

Jones *et al* (1998, p.347) describe job satisfaction as the collection of feelings and beliefs that employees have about their current jobs. Employees, with high job satisfaction generally like their jobs, feel that they are being fairly treated, and believe that their jobs have many desirable features or characteristics (such as interesting work, good pay, job security, autonomy, or nice co-workers). Jones *et al* also state that it is desirable for employees to be satisfied with their jobs for at least two reasons

1. Satisfied workers may be more likely to go the extra mile for the organisation or perform organisational citizenship behaviours, behaviours that are not required of organisational members but that contribute to and are necessary for organisational efficiency, effectiveness, and gaining a competitive advantage. Employees who are satisfied with their jobs are more likely to perform these “above and beyond the call of duty” behaviours, which can range from putting in extra- long hours when needed, to coming up with truly creative ideas and overcoming obstacles to implement them, to going out of one’s way to help a co-worker or a superior (even when doing so entails considerable personal sacrifice).
2. Employees who are satisfied with their jobs may be less likely to quit. An employee who is highly satisfied may never even think about looking for another position: dissatisfied employees may always be on the lookout for new opportunities. Turnover can have a negative impact on an organisation because it results in a loss of the experience and knowledge that employees have gained about the company, industry and the environment.

Applebaun *et al* (1999, p.100) explains that by ensuring employee job satisfaction (through various methods) and having a management team in place with the appropriate skills to provide the appropriate leadership for the environment in which the business must deal, companies can expect an increase in employee commitment towards the company.

According to Hirschfeld (2000, p.256) job satisfaction is the extent to which people like their jobs. Job satisfaction can be described as an affective or emotional reaction to the job, resulting from the incumbent’s comparison of actual outcomes with the required outcomes (Lok and Crawford, 1999, p.595). Greenberg and Baron (2000, p.160) on the other hand, define job satisfaction as a personal evaluation of conditions present in the job, or outcomes that arise as a result of having a job. Hirschfeld (2000, p.258) explains this comparison further by stating that employees seek to achieve and maintain correspondence with their environment, and the environment fulfilling the requirements of the individual. This means that employees will experience job satisfaction if they feel that their individual capacities, experience, and values can be utilised in their work environment and that the work environment offers them opportunities and rewards (Roberts & Roseanne, 1998, p.258). Job satisfaction has to do with an individual’s

perceptions and evaluation of his job, where this perception is influenced by the person's unique circumstances such as needs, values, and expectations. People will therefore evaluate their jobs on the basis of factors which they regard as being important to them, employees who are satisfied with their jobs are likely to be better ambassadors for the organisation and show more organisational commitment (Sempene *et al* 2002, p.24).

Job satisfaction is a widely researched topic (Labuschagne, 2005, p.26). Yousef (1998, p.184) mentions that the reason for this relates to the significant associations of job satisfaction with several variables. For instance, it has a positive association with life satisfaction, organisational commitment, job performance, and a negative association with job insecurity.

Since job satisfaction involves employees' emotional feelings, it has major consequences on their lives. Hirschfeld (2000, p.256) describes the most common consequences of job satisfaction in terms of its effects on the physical health, longevity; mental health, and the impact it has on interaction between employees and the feelings of employees toward their jobs and social lives. Locke (2000, p.76) also supports the fact that work can have an important effect on the total quality of life of the employee, behaviour which include absenteeism, complaints and grievances, frequent labour unrest and termination of employment.

According to Sverke and Hellgren (2002, p.31) the radical change from a traditionally secure working environment to a rapidly changing and insecure one could be expected to have an impact not only on the well-being of individuals, but also on their work attitudes and behaviour, and in the long run, on the vitality of the organisation. Ashford *et al* (1989, p.808) mention that job insecurity has consistently been found to be associated with reduced levels of work attitudes such as job satisfaction, and they have also shown that employees who felt insecure about their future employment were more dissatisfied with their jobs compared to those who perceived their future job situation as more secure. Similar results have been obtained in a number of studies (e.g. Davy *et al*, 1997; Hartley *et al*, 1991; Heaney *et al*, 1994; Rosenblatt and Ruvio, 1996 cited in Sverke and Hellgren, 2002, p.31). Furthermore, perceived insecurity concerning one's future role in the organisation may also make the employee less inclined to remain with the organisation. Job insecurity, like any stressor, could lead to a withdrawal response as manifested in, for example,

higher levels of turnover intention (Arnold and Feldman, 1982; Brockner, 1998; Burke and Nelson, 1998; Davy *et al*, 1997; Dekker and Schaufeli, 1995; Hartley *et al*, 1991, cited in Sverke and Hellgren, 2002, p.25).

2.5 CONCLUSION

In accordance with other studies on job insecurity, the results of the study by Buitendach and De Witte (2005, p.33) showed that job insecurity is associated with reduced job satisfaction and with reduced affective organisational commitment. The results of the study conducted by Yousef (1998, p.193) also indicate that job insecurity is associated with organisational commitment, as well as job satisfaction. Yousef's results further reveal that employees' age, education, monthly income, tenure in present organisation, tenure in present job, and marital status also contribute to job insecurity. The research by Hellgren *et al* (1999, p190) both replicates and extends past research on job insecurity.

Labuschagne *et al* (2005, p.28) emphasises that the South African labour market is ever more becoming aware of the increasing flexibility of jobs, and the increase in non- standard forms of working such as outsourcing and independent contracting, eliminating the security that the traditional indefinite period contract offered. They go on to say that South African employees are also faced with the ever-shrinking labour market, making the prospect of unemployment a potential reality for almost all South Africans. Buitendach and De Witte (2005,p.27) state that together with the economic implications held by globalisation, the South African labour market is also faced with changes at a political level, with Employment Equity and Black Economic Empowerment and government placing more pressure and emphasis on the implementation of these concepts.

It is clear that job insecurity, although not desired by most is a reality; these issues are not exclusive to certain groups of people or organizations, it also relates to the employees working in the selected organisation, where this research was conducted. The next chapter states the situation in the selected company, the challenges it faces and the justification for the research.

CHAPTER THREE

THE SITUATION IN THE SELECTED COMPANY

3.1 INTRODUCTION

This chapter gives a brief history of the selected company, the competition and challenges it faces of becoming world-class, the effect of downsizing and the justification for the research.

Operating as a commercial company since October 1991, the selected company has grown into the largest communications services provider in Africa based on operating revenue and assets. The company was listed on the Johannesburg Stock Exchange Limited and the New York Stock Exchange in March 2003 (Telkom, 2006). According to Schultz (Telkom, 2006) “the selected company came to the market with an existing network and retail market, it had regulatory protection, and maintained a large employee base far beyond the norm of telecommunication companies globally. It went through a process of change to reach listing and continued to evolve in its new mode, that of a successful business”. However with the deregulation of the industry in process, the selected company now faces new challenges as a business and, concurrently, is moving towards an adaptive business model with plans that look ahead from five to ten years (Telkom, 2006).

Comprising of approximately 28 972 full-time employees as of 31 March 2005, the company’s workforce is well qualified to help the company maintain its leadership in existing and emerging markets. In terms of formal qualification, as many as 88% of staff have completed grade 12, while more than half have tertiary qualifications. Overall literacy levels exceed 99 percent (Letlape, 2005, p.20). The vision of the company is to be a leading customer-and employee-centered Information and Communication Technology solution provider in Africa (Telkom, 2006).

3.2 COMPETITION

Business in telecommunication companies around the world is changing in response to market forces and technological advances, manual business processes have become automated and the demand for data services is growing (Anthony *et al* 2002, p.434). Collins (2001, p.2) explains that when the selected company was the only provider of telephone services in South Africa, the customer had to accept whatever level of service was offered, there was no choice. "However two cellular networks were licensed almost immediately and a third was licensed in 2001. The growth of the mobile market has been much greater than was originally anticipated. Mobile telecommunication customers who have become used to living in a high-tech world expect high-tech features and services from their telephones. They also expect a choice of products and suppliers" (Collins, 2001, p.3).

Beside the competition from cellular phone providers, there is increasing competition from Value Added Network services. There are already many licensed suppliers who provide e-mail and access to databases, using the selected company's network facilities (Collins, 2001, p.3). According to Collins the major competitive challenge will come when the second network operator starts operating in South Africa. She states that the second network operator is likely to consist of a partnership between companies who have the skills and resources to invest profitably in the South African communication industry.

Schultz (Telkom, 2006) states that further challenges facing the selected company include the regulatory environment, which is not only going through liberalisation and thus opening the market to more competition at the network infrastructure level, but the Independent Communication Authority of South Africa is introducing cost-based pricing that will regulate telecommunication tariffs.

3.3 DOWNSIZING

Anthony *et al* (2002, p.434) highlight the fact that the telecommunication industry is changing shape with the continuous emergence of new technologies. “The market for voice service is declining rapidly, as people increasingly use wireless phones. Often automation could be introduced to make a job that once took as many as a dozen people to complete managed by only one or two. The other ten employees are dismissed” (Anthony *et al*, p.434). According to Carrell *et al* (1998, p.242) the reduction in the size of an organisation’s workforce is called downsizing. They go on to say that the negative effects of downsizing are felt not only by those who leave but also by those who stay. Burke and Cooper (2000, p.133) define downsizing as a planned elimination of roles or jobs, abrogation of entire units, and flattening organisational structures or reducing costs, all of which engender downscaling of organisation activities.

According to Ndlovu and Parumasur (2005, p.15) there are various reasons why employees resist downsizing exercises, namely:

- ✚ an individual’s predisposition towards change;
- ✚ misunderstanding and fear of the unknown;
- ✚ climate of mistrust;
- ✚ fear of failure;
- ✚ loss of status and job insecurity;
- ✚ peer pressure and group relationship;
- ✚ personality conflicts;
- ✚ poor timing and non- reinforcing rewards; and
- ✚ selective perception and retention.

Burke and Cooper (2000, p134) claim that the successful charting of organisations throughout major change relies heavily on managing the remaining employees, that is, the survivors. According to Ndlovu and Parumasur (2005, p.15) survivors often experience the effects of major change as deeply as those made redundant. Survivors often show emotions and responses that include disbelief, betrayal, animosity towards management and concern about colleagues, which

find expression in decreased motivation, lower morale, guilt, and fear about security. They also observed other effects of downsizing, namely, the high human cost, psychological trauma experienced by the victims and survivors, reduced employee commitment, lower performance among employees due to job insecurity, greater loss of valuable employees and lower morale.

3.4 A WORLD CLASS COMMUNICATION COMPANY

As noted by Mullins (2002, p.44) the central element of a successful organisation lies in the importance of achieving productivity through the effective management of people and their commitment to, and involvement with, the organisation.

Collins (2001, p.1) highlights the fact that the selected company faces many challenges on the road from being a telecommunication company to becoming a world-class communication company. "On the one side there is competition; on the other, the need to become an attractive investment opportunity. The technology base is in place. New products and services have been developed. Now the success of the Company lies in the hand of its employees. The key to future success now lies in the service the Company offers to its customers, and customer service lies in the hands of employees" (Collins, 2001, p.1).

According to Anthony *et al* (2002, p.439) an employee's attitude determines whether the customer continues to patronise the company, and whether the company will be productive. They go on to say that employees, who are burned out, turned off, cynical, demoralised, or any combination of these fails to buy into the spirit of the company, and their bad attitudes are infectious.

The Chief Executive Officer of the company Papi Molotsan (Telkom, 2005) mentions that increased competition is inevitable, the future relevance and prosperity of the company hinges on their ability to put customers at the core of their operations, and to provide them with service of outstanding quality. Mr. Molotsan goes on to say that the company can have the most sophisticated technology and the most refined systems and processes, but without employees

these become meaningless. The action and commitment of employees will determine whether the selected company will become world-class.

However according to Dykema (2006, p.4) outsourcing and restructuring had a profound effect on the selected company during the late 1990's and continue to do so. Thompson and Strickland (2001, p.352) argue that many companies boast that their employees are their greatest assets, but when the going gets tough, they shed those precious assets in an effort to cut costs and boost efficiency and productivity.

3.5 JUSTIFICATION FOR THE RESEARCH

Like communication companies around the world, the selected company's business is changing in response to market forces and technological advances. The key to the success of this company becoming a world-class communication company lies in the hands of its employees (Telkom, 2005). However according to Dykema (2006, p.4) retrenchment in the selected company has created enormous uncertainty. He mentions that approximately 30 000 of the company's workers were laid off between 1999 and 2003. Since 2003 an additional 4 500 workers have had to take voluntary retrenchment packages, which brings the current staff complement to approximately 25 500. The expiry of the moratorium in the near future, and the appointment of a second fixed line operator, have given rise to concerns among employees that retrenchments may be resumed (Dykema, 2006, p.4).

Schultz (Telkom, 2006) emphasises that adaptation and transformation is necessary to maintain a competitive advantage in an environment of accelerating liberalisation, as well as the coming into existence of the second network operator. Research has highlighted insecurity as a primary outcome of downsizing (Brockner, 1998, p.414). Due to the number of employees laid off in the selected company the researcher felt that it was necessary to establish the level of job insecurity in the organisation as job insecurity has been shown to have a number of negative consequences at both the individual and organisational levels. Decreasing the levels of perceived job insecurity among employees can result in higher levels of job satisfaction and organisational commitment

(De Witte, 2005, p.1). The primary aim of this study was to investigate the relationship between job insecurity, organisational commitment and job satisfaction of employees in the selected company.

3.6 CONCLUSION

In a competitive labour environment where there is large demand for skilled employees, experience has proven that apart from offering current and prospective employees a market related remuneration package, the ability of a company to decrease the negative effect of job insecurity is of critical importance for the company to survive (Sverke and Hellgren, 2002, p.24). This study can help the selected organisation to take measures to prevent the most negative effects of job insecurity. Studies that examine survivor's attitudes in the aftermath of corporate layoffs consistently indicate that job attitudes such as job satisfaction, job involvement, organisational commitment, and intention to remain with the organisation become more negative (Burke and Cooper, 2000, p.8). The relationship between job insecurity and job satisfaction is demonstrated in the research of Buitendach and De Witte (2005, p.34), who found a significantly lower level of job satisfaction among employees who felt insecure.

The next chapter provides the groundwork and base from which the researcher will work in order to achieve the desired results.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter presents the objectives of the research, explains the research design, the sample, the instrument used to collect the data, the data collection method, and the method of data analysis. Credibility and ethical stance is of utmost importance when conducting research which is discussed in this chapter as well as the validity and reliability of the questionnaires.

4.2 AIM OF THE STUDY

The primary aim of this study was to investigate the relationship between job insecurity, organisational commitment and job satisfaction of employees in a large South African telecommunication company. A further objective of the study was to determine whether the levels of job insecurity differ in terms of demographic variables such as age, gender, marital status, race, education, position in the organisation and tenure in the organisation.

The present study seeks to test the following hypotheses:

H1: The greater the job insecurity, the lower the organisational commitment;

H2: The greater the job insecurity, the lower the job satisfaction;

H3: Older employees experience higher levels of job insecurity than younger employees;

H4: Males experience higher levels of job insecurity than females;

H5: There are differences between the marital status groups with respect to job insecurity; married people experience higher levels of job insecurity than single people;

H6: There are differences between the race groups with respect to job insecurity; White people experience higher levels of job insecurity than Black people;

H7: There are differences between the education groups with respect to job insecurity; individuals with higher education tend to experience lower levels of job insecurity;

H8: There are differences between the job positions that employees hold with respect to job insecurity; individuals with higher positions tend to experience lower levels of job insecurity;

H9: There are differences between the tenure groups with respect to job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity.

4.3 RESEARCH DESIGN

A cross sectional correlational research design was adopted in this study. According to Swanepoel, Erasmus and Schenk (1998, p.751) one of the more popular techniques used to conduct Human Resource related research is survey research, which is a quantitative method. Swanepoel *et al* state that through surveys one can gauge the perception, opinions, attitudes, beliefs, and intentions of the organisations employees. In this way one can gather reliable information relatively quickly, covering large numbers of employees. Swanepoel *et al* (1998, p.750) explains that in this day and age when organisations so often assert that their employees are their most valued assets, it becomes increasingly important to pay serious attention to their views, opinions, feelings, ideas and attitudes.

This study was pursued using a quantitative research format. The qualitative and quantitative research strategies differ in their conceptions of reality. The quantitative approach has its origin in Positivism, which sees reality as existing (Struwig and Stead, 2001, p.160). The deductive approach with precise measurements of quantitative data was used to conduct this research. By using this approach it allows the researcher to generalise results beyond the confines of the research sample and makes the study replicable, should other researchers wish to repeat the study, and it also serves as a means of checking biases of the researcher.

Quantitative researchers assemble data in the form of numbers and use statistical types of data analysis (Blanche and Durrheim, 1999, p.42) by using reliable and valid measures from a representative sample of respondents (Partington, 2002, p.105).

4.4 RESEARCH POPULATION AND SAMPLE

Vos, Strydom and Schurink (2001, p.189) refer to the population as the total collection of the elements under investigation or on which we wish to make inferences. The research population consists of 25500 employees in the selected telecommunication organisation throughout South Africa.

Benkele (2000) describes sampling as “the careful extraction of a few representative population elements for the investigation”. An element is the subject on which the measurement is being taken. Carrell, Grobler and Elbert (1998, p.561) define the sample as a specimen of a whole population, which is drawn to show what the rest is like.

The following economic motives make clear why sampling was used:

- ✚ the cost of undertaking a census for a study is high. It is more cost effective to know from a few than from hundreds (Benkele, 2000);
- ✚ Dobler (1996, p.201) suggests that a sample provides a better quality of data. This is because issues of a sample provide ease for:
 1. interviewing;
 2. thorough investigation of missing, wrong, or suspicious information; and
 3. a sample can provide information in a shorter time period.

The data was collected using non-probability sampling, which “relies on the judgment of the researcher and is only as representative as the researcher’s luck and skill permit” (Partington, 2002, p.107). According to Partington (2002, p.107) there are three types of non-probability sampling namely convenience, quota and judgment. The researcher used convenience sampling, which “as the name implies, respondents are selected on the basis of convenience or availability” (Partington, 2002, p.107).

This sampling method was used due to the following reasons:

- ✚ employees who were used as the sample group, were conveniently situated from a geographical perspective;
- ✚ the researcher had easy access to the employees as they were in close proximity to the researcher; and
- ✚ the researcher did not have to travel long distances to distribute questionnaires as the entire sample group consisted of staff from the Pietermaritzburg area where the researcher resides.

4.4.1 SAMPLE SELECTION PROCEDURE

It would be impossible to survey all 25500 people in the selected telecommunication organisation, as it would take too long and would be very expensive. The Pietermaritzburg branch of this organisation was chosen as the sample which comprises 226 employees who were retained after the first and second wave of downsizing. An attempt was made to gather information from this total group. These employees are situated at three sites in the vicinity of Pietermaritzburg (PMB), namely:

- ✚ Doull Road Engineering Yard which has 110 employees
- ✚ Oribi Engineering Yard which has 69 employees
- ✚ Loop Street Engineering yard which has 47 employees.

Permission was sought from senior management to gather all respondents into a large conference room at the different centres to fill out the written questionnaire during working hours. The purpose of the survey was explained and it was indicated to respondents that they may withdraw from participation at any time, should they so wish, and employee participation is on a voluntary basis. To ensure anonymity, respondents were asked not to write their names anywhere on the survey and they were instructed to return their completed surveys directly to the principal researcher, and not to their superiors in the organisation. The researcher was present while the questionnaires were being answered, in order to collect the questionnaires as soon as they were answered and to ensure anonymity at all times.

Ethical clearance was obtained from the University of KwaZulu-Natal ethic's committee discussed later in the chapter (Provisional Ethical Clearance Number HSS/06128; appendix 6).

Two hundred and twenty six employees were approached to participate in this study. A total of 164 questionnaires were returned of which 4 were incomplete. This left a total of 160 (N=160) correctly completed questionnaires and resulted in a 70.1% response rate. Executives, Senior Managers and Area Managers were not part of this survey. Pietermaritzburg has 3 Area Managers, none of them were present when the survey was done and no Senior Managers or Executives are stationed in Pietermaritzburg.

4.5 MEASURING INSTRUMENTS

According to Blanche and Durrheim (1999, p.293) a questionnaire is defined as a group of written questions used to gather information from respondents and is a standard method of collecting data. The advantage of using a questionnaire for gathering data is the reliability of responses and reduction and elimination of differences in the way questions are presented and asked (Blanche and Durheim, 1999 p.293). There are two types of questionnaires, namely:

- ✚ a structured questionnaire, which is a list of questions with specific answers;
- ✚ an unstructured questionnaire, which has open-ended questions (Blanche and Durheim, 1999, p.293).

The researcher made use of structured questionnaire comprising 3 standardised measuring instruments.

The questionnaires were divided into four sections:

1. Section A-which consisted solely of questions concerning biographical data of the subjects and was measured on a nominal scale (appendix2).
2. Section B which consisted of the job insecurity questionnaire (appendix 3).
3. Section C which consisted of the job satisfaction questionnaire (appendix4).
4. Section D which consisted of the organisational commitment questionnaire (appendix 5).

Measuring instruments with confirmed validity and reliability were used to measure the different variables included in this study.

4.5.1 JOB INSECURITY

The Job Insecurity Questionnaire (JIQ) (De Witte, 2000) was used as a measure of job insecurity in this study. The JIQ contains 11 items, which measure the cognitive and affective dimensions of job insecurity. The items are arranged along Likert-type scale, varying from 1=(strongly disagree) to 5=(strongly agree) The items of the JIQ, measuring global job insecurity, are reported to have a Cronbach alpha coefficient of 0,92 and both scales (cognitive and affective) were shown to be highly reliable, with the six items measuring cognitive job insecurity (e.g. "I think that I will be able to continue working here") displaying a Cronbach alpha coefficient of 0,90 and the five items of the affective job insecurity (e.g. "I feel uncertain about the future of my job") displaying a Cronbach alpha coefficient of 0,85 (De Witte, 2000, cited in Buitendach and De Witte, 2005, p.28). According to De Witte (2000) the content of these two scales do not overlap, but nevertheless have a high underlying correlation ($r = 0,76$).

4.5.2 JOB SATISFACTION

The Minnesota Satisfaction Questionnaire (MSQ) (Weiss *et al*, 1967) was used to measure job satisfaction. The MSQ indicates how satisfied or dissatisfied respondents are with their jobs by asking respondents to rate themselves on 20 questions by using a five point Likert-scale (1= very dissatisfied to 5= very satisfied). The MSQ measures intrinsic job satisfaction and extrinsic job satisfaction, using questions such as:

- ✦ the chance to be "somebody" in the community (intrinsic);
- ✦ the chance to do something that makes use of my abilities (intrinsic);
- ✦ the way my supervisor handles his/her workers (extrinsic);
- ✦ the working conditions (extrinsic).

Alpha coefficients were found to be ranging from 0,87 to 0,95 which support the internal consistency of the scale (Hirschfeld, 2000, p256).

4.5.3 ORGANISATIONAL COMMITMENT

This variable was measured by using an 8 item affective commitment scale from the organisational commitment questionnaire developed by Meyer and Allen (1997, p.118). This measure consists of 8 items. Examples of items are: 'I would be happy to spend the rest of my career with this organisation'; "I enjoy discussing my organisation with people outside it". The items are arranged along a Likert-type scale with 1= strongly disagree to 5=strongly agree. Four negatively worded items were reverse coded. The internal consistency for this sub-scale of the questionnaire has been confirmed at the 0,80 level (Suliman and Illes, 2000 cited in Buitendach and De Witte, 2005, p.27).

4.6 DATA ANALYSIS

The data obtained from the questionnaire was analysed using the computer statistical software package version 13 (SPSS). Descriptive statistics were included in order to summarise the data, describe the sample, to calculate the mean, standard deviation, skewness and kurtosis of the sample scores on the dependant variables. Cronbach alpha coefficients and inter-item correlations coefficients were used in order to determine the validity and reliability of the measuring instruments. Pearson Product moment correlation coefficients were computed so as to indicate the extent to which one variable is related to another. One way analysis of variance (ANOVA) was used to determine the relationship between job security and the various demographic variables (e.g. age, gender, marital status, education, position in the organisation and lastly tenure in the organisation).

4.7 TIME FRAME

The data was collected from 20 July 2006 to 10 August 2006.

4.8 ASSUMPTIONS

The main assumption was that all respondents were honest in their responses.

4.9 ETHICAL CONSIDERATION

The research data were statistically analysed to ensure that it was reliable and valid; this adds to the credibility of the research findings. The participants in the study were made aware of informed consent and participation was voluntary. According to Blanche and Durrheim (1999, p. 66) consent is the requirement that participants receive a full, non-technical and clear explanation of the tasks expected of them so that they can make an informed choice to participate voluntarily in the research. An ethical stance was maintained because information, provided by the organisation was highly confidential. In addition, application was also made to the University of KwaZulu-Natal ethics committee for approval. In conducting this research the following issues which were highlighted by the ethics committee, were followed:

- the researcher ensured that anonymity; confidentiality and voluntary consent were upheld at all times. A covering letter to the questionnaire detailing this information had to be included (appendix 1).
- all questionnaires received will be stored and disposed off in accordance with the guidelines of the selected organisation.

Ethical clearance was obtained from the University of KwaZulu-Natal ethic's committee. (Provisional Ethical Clearance Number HSS/06128; appendix 6)

The final dissertation will maintain the confidentiality promised to the organisation. Information provided by the respondents were also handled in an ethical and confidential manner.

4.10 CONCLUSION

This chapter discussed the research methodology that was used to collect primary data for this research, as well as the approach and strategy that was utilised to collect data. Furthermore, the questionnaire and the sampling method that was used for collecting the data, the measuring instruments, and the analysis of the data were discussed. Credibility and ethical stance is crucial to any research; the researcher confirmed that the final dissertation will maintain the confidentiality to the organisation and the respondents. The limitations to this study will be discussed in Chapter Eight. The following chapter discusses the findings of the study.

CHAPTER FIVE

RESULTS

5.1 INTRODUCTION

The findings of the data analysis are dealt with in this section. The primary aim of this study was to investigate the relationship between job insecurity, job satisfaction, and organisational commitment in a selected telecommunication company. A further objective of the study was to determine whether the levels of job insecurity differ with respect to demographic variables such as age, gender, marital status, race, education, position in the organisation and tenure in the organisation.

The purpose of this chapter is to present and examine the findings. Firstly the sample demographic results will be presented followed by the results of the hypothesis testing. For every hypothesis there is a table that indicates the frequency, mean and the standard deviation. A standard deviation (SD) is a descriptive statistic and is used to describe the characteristics of the sample. SD is based on the distance of each score from the centre or mean, and describes the spread or variation around the sample mean. On a five - point scale a standard deviation of 1.0 and above is high and shows a large, scattered range and means that the opinions of participants substantially differ.

5.2 DESCRIPTION OF SAMPLE

Two hundred and twenty six employees from the Pietermaritzburg area were approached to participate in this study. A total of 164 questionnaires were returned of which 4 were incomplete. This left a total of 160 (N=160) correctly completed questionnaires and resulted in a 70.1% response rate.

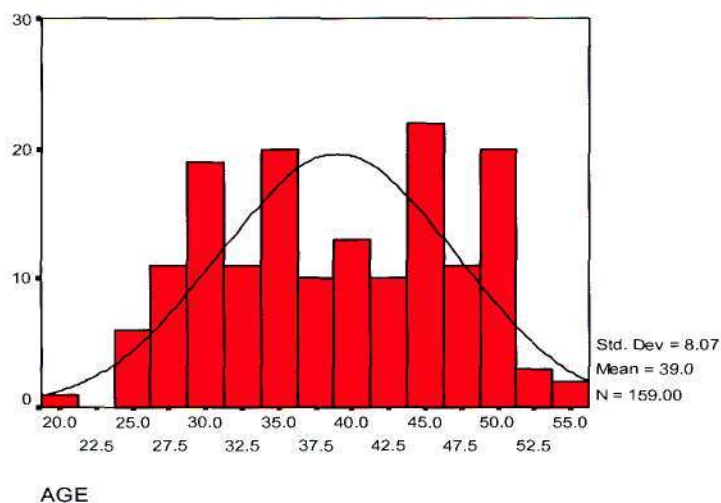
5.2.1 AGE

Table 5.1 Breakdown of sample by age

<i>Age</i>	<i>Frequency</i>	<i>Percent</i>
<i>20 to 25 years</i>	3	1.9
<i>26 to 30 years</i>	29	18.2
<i>31 to 35 years</i>	28	17.6
<i>36 to 40 years</i>	30	18.9
<i>41 to 45 years</i>	27	17
<i>46 to 50 years</i>	34	21.4
<i>51 to 55 years</i>	8	5
<i>Total</i>	159	100

One hundred and fifty nine (n=159) employees responded to the demographic aspects of the questionnaire. Only 1.9% (n=3) are under 25 years, and 5% are over 51 years. The majority of the workers, 95% (n=151) are between 26 to 50 years.

Figure 5.1 Histogram of age



The average age of the respondents in this survey was 39 years old. The ages seem to be symmetrically distributed.

5.2.2 GENDER

Table 5.2 Breakdown of sample by gender

<i>Gender</i>	<i>Frequency</i>	<i>Percent</i>
<i>Males</i>	149	93.7
<i>Females</i>	10	6.3
<i>Total</i>	159	100

The selected organisation has 226 employees in PMB, of which 94% are males and 6% are females. 70% (n=159) of employees responded to the questionnaires of which 94% (n=149) were male employees as opposed to 6% (n=10) females. As can be seen from the above figures this organisation has an overwhelmingly high number of males as opposed to females.

5.2.3 MARITAL STATUS

Table 5.3 Breakdown of sample by marital status

<i>Marital Status</i>	<i>Frequency</i>	<i>Percent</i>
<i>Married</i>	124	78
<i>Divorced</i>	6	3.8
<i>Single</i>	29	18.2
<i>Total</i>	159	100

The majority of respondents in this survey 78% (n=124) were married; as compared to 18.2% (n=29) who are single.

5.2.4 RACE

Table 5.4 Break down of sample by race

<i>Race</i>	<i>Frequency</i>	<i>Percent</i>
<i>White</i>	52	32.7
<i>Black</i>	28	17.6
<i>Indian</i>	77	48.4
<i>Coloured</i>	2	1.3
<i>Total</i>	159	100

Of the 226 employees that work in this organisation 47% are Indians, 29% Whites, 23% Africans and only 1% are Coloureds. One hundred and fifty nine (n=159) employees responded to the questionnaires. The modal race group are Indians, 48% (n=77) followed by Whites, 32.7% (n=52) then Blacks 17.6% (n=28) and Coloureds 1.3% (n=2).

5.2.5 EDUCATION

Table 5.5 Break down of sample by education

<i>Education</i>	<i>Frequency</i>	<i>Percent</i>
<i>Primary School</i>	2	1.3
<i>High School</i>	111	70.2
<i>Tertiary Education</i>	45	28.5
<i>Total</i>	158	100

Majority of the respondents had a High school education 70.2% (n=111) followed by those with Tertiary education 28.5 % (n=45).

5.2.6 POSITION IN THE ORGANISATION

Table 5.6 Breakdown of sample by position in the organisation

<i>Position</i>	<i>Frequency</i>	<i>Percent</i>
<i>Operational Manager</i>	11	6.9
<i>Operational level one(OP1)</i>	128	80.5
<i>Operational level two(OP2)</i>	5	3.2
<i>Specialist</i>	15	9.4
<i>Total</i>	159	100.0

Majority of the respondents are Operational level one employees (OP1), 80.5% (n=128). Only 3.2% (n=5) Operational level two (OP2) make up the lowest level in this organisation.

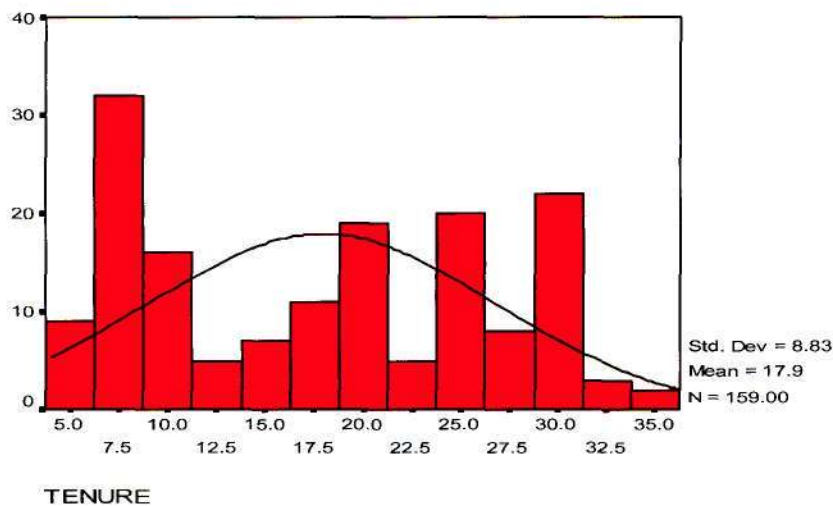
5.2.7 TENURE IN THE ORGANISATION

Table 5.7 Breakdown of table sample by tenure in the organisation

<i>Tenure</i>	<i>Frequency</i>	<i>Percent</i>
<i>1 to 5 years</i>	5	3
<i>6 to 10 years</i>	49	31
<i>11 to 15 years</i>	15	9.4
<i>16 to 20 years</i>	22	13.9
<i>21 to 25 years</i>	30	18.8
<i>26 to 30 years</i>	32	20.1
<i>31 to 35 years</i>	6	3.8
<i>Total</i>	159	100

One hundred and fifty nine (n=159) employees responded to the questionnaires. Only 3% (n=5) are in the organisation for 5 years and below and 3.8% (n=6) are over 31 years.

Figure 5.2 Histogram of tenure



The average tenure was 17.9 years.

5.2.8 SUMMARY OF SAMPLE

Of the 159 respondents 149 were male as opposed to 10 females. The ages of the respondents ranged from 20 to 54, with a mean age of 39 years. The racial distribution (32.7% White, 17.6% Black, 48.4% Indian and 1.3% Coloured) reflects the cultural diversity of the selected organisation. The levels of Education ranged from 1.3%, Primary school to 28.5% Tertiary Education, the majority of the respondents, 70.2%, have high school education. The average job experience of the respondents was 17.9 years, with the majority of the respondents 80.5% on the Operational One Level.

5.3 RELIABILITY OF MEASURING INSTRUMENTS

The first step in the data analysis procedure was to assess the internal reliability of the measuring instruments by means of Cronbach's alpha coefficients. Cronbach's Alpha is a measure of how well each individual item in a scale correlates with the sum of the remaining items and measures consistency among individual items in a scale (Simon, 2004 paragraph 4). The results reported in Table 5.8 show that acceptable Cronbach alpha coefficients were obtained for the instruments

measuring job insecurity, job satisfaction and organisational commitment, ranging from 0.68 to 0.82.

Table 5.8 Descriptive Statistics and Cronbachs Alpha Analysis

<i>Variables</i>	<i>N</i>	<i>Mean</i>	<i>Med.</i>	<i>Mode</i>	<i>Std</i>	<i>Var.</i>	<i>Range</i>	<i>Cronbach's</i>
					<i>Dev.</i>			<i>Alpha</i>
<i>Job Insecurity</i>	157	18.00	22	22	0.45	.21	11	0.68
<i>Job Satisfaction</i>	160	32.10	38	40	0.64	.41	20	0.82
<i>Organisational</i>	159	13.20	12	16	0.52	.27	8	0.76
<i>Commitment</i>								

5.3.1 NORMAL DISTRIBUTION

A normal distribution test was done to test if the job insecurity, job satisfaction and organisational commitment data follow normal distribution so that parametric techniques can be used on the data.

Table 5.9 Normal Distribution for job insecurity, job satisfaction and organisation commitment

	<i>Average</i>	<i>Average</i>	<i>Average</i>
	<i>Job insecurity</i>	<i>Job satisfaction</i>	<i>Organisational com.</i>
Asymp. Sig. (2-tailed)	0.301	0.452	0.502

From the results reported in table 5.9 at the 5% significance level, the p- values are greater than 0.05 it can therefore be concluded that job insecurity, job satisfaction and organisational commitment follow a normal distribution.

5.4 HYPOTHESIS TESTING

The main aim of the study was to investigate the relationship between job insecurity, job satisfaction and organisational commitment. Table 5.10 presents the Pearson correlation of job insecurity and both organisational commitment and job satisfaction for the total sample. Based on the literature reviewed, the results of the hypotheses follow.

Table 5.10 Pearson Correlation for job insecurity, organisational commitment and job satisfaction

		Job insecurity total	Organisational commitment	Job Satisfaction
Job insecurity total	Pearson Correlation	1	-0.202**	-0.357**
	Sig. (2 tailed)		0.000	0.02
	n	157	156	157

* p < 0.05; **p < 0.01; ***p < 0.001

H1: The greater the job insecurity, the lower the organisational commitment

H₀: the greater the job insecurity, the greater the organisational commitment

H₁: the greater the job insecurity, the lower the organisational commitment

Pearson correlation was used to determine if there was a relationship between job insecurity and organisational commitment. From the results reported in table 5.10 H₀ was rejected at the 5% significance level since the p-value was less than 0.05 and it was concluded that the greater the job insecurity, the lower the organisational commitment. The Pearson correlation value of -0.202 indicates a weak but inverse relationship between job insecurity and organisational commitment (as one increases the other decreases, vice versa).

H2: The greater the job insecurity, the lower the job satisfaction

H₀: the greater the job insecurity, the greater the job satisfaction

H₁: the greater the job insecurity, the lower the job satisfaction

Pearson correlation was used to determine if there was a relationship between job insecurity, and job satisfaction. From the results reported in table 5.10 H₀ was rejected at the 5% significance level since the p-value was less than 0.05 and it was concluded that the greater the job insecurity, the lower the job satisfaction. The Pearson correlation value of -0.357 indicates a weak but inverse relationship between job insecurity and job satisfaction (as one increases the other decreases, vice versa).

H3: Older employees experience higher levels of job insecurity than younger employees

H₀: Older employees experience lower levels of job insecurity than younger employees

H₁: Older employees experience higher levels of job insecurity than younger employees

Table 5.11 Result of one way Analysis of Variance (ANOVA) for age

Variables	F-stat.	df	p-value	n	mean	sd
Age	9.44	6	0.00	20 to 25	3	18.14
				26 to 30	29	19.42
				31 to 35	28	25.64
				36 to 40	30	25.62
				41 to 45	27	27.85
				46 to 50	34	29.55
				51 to 55	8	38.55

$$(F(6,159) = 9.44 \quad p < 0.05)$$

ANOVA was performed to determine the relationship between job insecurity and age. Based on the results in table 5.11 at the 5% significance level, H₀ was rejected and concluded that there are statistically significant differences in the mean job insecurity total with respect to age. The p-value of 0.00 was less than 0.05. The result revealed that the mean score of respondents between the age group of 51 to 55 ($\bar{X} \approx 38.55$) was significantly higher than that of respondents between the age group 20 to 25 ($\bar{X} = 18.14$), showing that older employees experience higher levels of job insecurity than younger employees. These results fit our hypothesis stating that older employees experience higher levels of job insecurity than younger employees.

H4: Males experience higher levels of job insecurity than females

H₀: Males experience lower levels of job insecurity than females

H₁: Males experience higher levels of job insecurity than females

Table 5.12 Result of Independent sample t-test, mean and standard deviation for gender

Variables	t-stat.	p-value	n		mean	sd
Gender	-0.36	0.81	male	146	22.99	0.45
			female	10	30.00	0.57

ANOVA was performed to determine the relationship between job insecurity and gender. Based on the results in table 5.12 at the 5% significance level, H₀ was rejected and concluded that males experience lower levels of job insecurity than females. The p-value of 0.81 is greater than 0.05. There is no significant effect on job insecurity. However the mean score of males (\bar{X} =22.99) is lower than that of females (\bar{X} = 30.00) showing that males experience lower levels of job insecurity than females. These results are in contrast to our hypothesis stating that males experience higher levels of job insecurity than females.

H5: There are differences between the marital status groups with respect to job insecurity (married people experience higher levels of job insecurity than single people)

H₀: There are no differences between the marital status groups with respect to the mean job insecurity (married people experience lower levels of job insecurity than single people)

H₁: There are differences between the marital status groups with respect to the mean job insecurity (married people experience higher levels of job insecurity than single people)

Table 5.13 Result of ANOVA, mean and standard deviation for marital status

Variables	df	F-stat.	p-value	n		mean	sd
Marital Status	2	4.29	0.000	married	121	33.99	0.45
				single	29	23.99	0.57
				divorced	6	30.99	0.51

(F (2,155) = 4.29 p < 0.05)

ANOVA was performed to determine the relationship between job insecurity and marital status. Based on the results in table 5.13 at the 5% significance level, H_0 was rejected and concluded that there are statistically significant differences in the mean job insecurity total with respect to marital status. The p-value of 0.00 is less than 0.05. The results revealed that the mean score of married respondents ($\bar{X}=33.99$) is higher than that of the mean score for single respondents ($\bar{X}=23.99$) showing that there are differences between the marital status groups with respect to the mean job insecurity (married people experience higher levels of job insecurity than single people). The results fit our hypothesis.

H6: There are differences between the race groups with respect to job insecurity (White people experience higher levels of job insecurity than Black people)

H_0 : There are no differences between the race groups with respect to the mean job insecurity
 H_1 : There are differences between the race groups with respect to the mean job insecurity (White people experience higher levels of job insecurity than Black people)

Table 5.14 Result of ANOVA, mean and standard deviation for different race groups

Variables	df	F-stat.	p-value	n	mean	sd
Race	3	3.52	0.00	White	51	35.00
				Black	27	19.15
				Indian	76	29.25
				Coloured	2	30.12

(F (3,156) = 3.52 p < 0.05)

ANOVA was performed to determine the relationship between job insecurity and the different race groups. Based on the results in table 5.14 at the 5% significance level, H_0 was rejected and concluded that there are statistically significance differences between the race groups with respect to the mean job insecurity. The p-value of 0.00 is less than 0.05. The results reveal that the mean score of ($\bar{X} = 19.15$) for Black respondents are lower than that of the mean score for White respondents ($\bar{X} = 35.00$) showing that White experience higher levels of job insecurity than Blacks. These results fit our hypothesis stating that there are differences between the race

groups with respect to the mean job insecurity. Coloureds have a high mean score of 30.12; however there are only 2 respondents which make this result very bias.

H7: There are differences between the education groups with respect to job insecurity; individuals with higher education tend to experience lower levels of job insecurity.

H_0 : There are no differences between the education groups with respect to the mean job insecurity

H_1 : There are differences between the education groups with respect to the mean job insecurity (individuals with higher education tend to experience lower levels of job insecurity than individuals with lower education)

Table 5.15 Result of ANOVA, mean and standard deviation for education levels

Variables	df	F-stat.	p-value	n	mean	Std. Dev.	
Education	2	4.5	0.013	primary	2	34.66	1.67
				high	109	27.44	0.45
				tertiary	44	20.28	0.37

$$(F(2,155) = 4.5 \text{ } p < 0.05)$$

ANOVA was performed to determine the relationship between job insecurity and the different education levels. Based on the results in table 5.15 at the 5% significance level, H_0 was rejected and concluded that there are statistically significant differences between the education groups with respect to the mean job insecurity. The p-value of 0.013 is less than 0.05. The results reveal that the mean score of ($\bar{X}=34.66$) for respondents with primary school education are higher than that of the mean score for respondents with tertiary education ($\bar{X} = 20.28$) showing that respondents with tertiary school education have lower levels of job insecurity than individuals with high school and primary education. These results fit our hypothesis stating that there are differences between education groups with respect to the mean job insecurity.

H8: There are differences between the job positions that employees hold with respect to job insecurity; individuals with higher positions tend to experience lower levels of job insecurity

H₀: There are no differences between the positions in the organisation groups with respect to the mean job insecurity

H₁: There are differences between the positions in the organisation groups with respect to the mean job insecurity

Table 5.16 Result of ANOVA, mean and standard deviation for positions

<i>Variables</i>	<i>df</i>	<i>F-stat.</i>	<i>p-value</i>	<i>n</i>	<i>mean</i>	<i>SD</i>	
<i>Positions</i>	3	3.18	0.011	Ops. managers	11	21.52	0.55
				Specialists (S6)	15	25.94	0.64
				level one (OP1)	125	28.95	0.66
				level two (OP2)	5	38.99	0.82

$$(F (3,155) = 3.18 \text{ } p < 0.05)$$

ANOVA was performed to determine the relationship between job insecurity and the different positions held in the organisation. Based on the results in table 5.16 at the 5% significance level, H₀ was rejected and concluded that there are statistically significance differences between the positions in the organisation with respect to the mean job insecurity. The p-value of 0.011 is less than 0.05. The results revealed that the mean score of Operational managers (\bar{X} =21.52) is lower than that of OP2 respondents (\bar{X} =38.99) showing that lower level employees experience higher levels of job insecurity. These results fit our hypothesis stating that there are differences between positions in the organisation groups with respect to the mean job insecurity.

H9: There are differences between the tenure groups with respect to job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity.

Table 5.17 Result of ANOVA, mean and standard deviation for tenure

Variables	df	F-stat.	p-value	N		mean	sd
Tenure	6	3..55	0.00	1 to 5 years	5	38.62	2.12
				6 to 10 years	49	37.24	1.71
				11 to 15 years	15	37.51	1.74
				16 to 20 years	22	33.20	1.54
				21 to 25 years	30	22.23	1.68
				26 to 30 years	32	24.31	1.48
				31 to 35 years	6	20.39	1.70

$$(F (6,155) = 3.55 \quad p < 0.05)$$

H₀: There are no differences between the tenure groups with respect to the mean job insecurity

H₁: There are differences between the tenure groups with respect to the mean job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity.

ANOVA was performed to determine the relationship between job insecurity and tenure in the organisation. Based on the results in table 5.17 at the 5% significance level, H₀ was rejected and concluded that there are statistically significant differences between tenure groups with respect to the mean job insecurity. The p-value of 0.00 is less than 0.05. The results revealed that respondents with longer tenure had a lower mean ($\bar{X}=20.39$) than those respondents with a shorter tenure ($\bar{X}=38.62$) showing that respondents with lower tenure had higher levels of job insecurity. These results fit our hypothesis stating that there are differences between the tenure groups with respect to the mean job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity.

5.5 SUMMARY OF RESULTS

The result indicates that there is a weak but inverse relationship between job insecurity and organisational commitment, as well as job insecurity and job satisfaction. This simply means that the more the employees feel insecure in their job the less they are committed to their organisation and the less they are satisfied with their job.

On assessing the demographic variables, the set of results indicated that there are statistically significant differences between job insecurity and all the variables (age, marital status, race, education, position in the organisation and tenure) except gender which showed no significance; therefore all the hypotheses predicted were supported beside *H4* which states that males experience higher levels of job insecurity than females.

The next chapter discusses the findings with reference to the literature reviewed.

CHAPTER SIX

DISCUSSION

6.1 INTRODUCTION

The present study investigated if there was a relationship between job insecurity and organisational commitment, and job insecurity and job satisfaction in a selected telecommunication organisation in South Africa. The study also investigated to what extent job insecurity is associated with a set of background variables. The researcher proposed hypotheses regarding the relation between job insecurity and each of seven variables, namely age, gender, marital status, race, education, position in the organisation and lastly tenure in the organisation. The results are discussed in this chapter.

Before discussing the results, it is important to note that this study should be considered as an exploratory study. Therefore, its results should be treated with caution, since the data used to answer the research questions were collected only from the Pietermaritzburg worksites of one national organisation. Furthermore, statistically significant relationships between variables do not imply causality. According to De Witte (1999, p.171) using just one organisation introduces homogeneity in the design. The results could partly be explained by the specificity of the company involved. Variables such as the specific organisational structure or culture, previous experience with restructuring or downsizing, and the strength of trade unions in the company, could account for some of the findings.

One could argue, the more employees are satisfied with job security the more they will be committed to the organisation, and the more they will be satisfied with their jobs. In accordance with the literature on job insecurity, organisational commitment and job satisfaction, the results of this study fulfilled our main aim showing that job insecurity is associated with reduced organisational commitment and reduced job satisfaction, which finds support in research done by

Ashford *et al* (1989, p.820); Brockner *et al* (1998, p.418); Buitendach and De Witte (2005, p.28); Probst and Brubaker (2001, p.139); Sverke and Hellgren (2002, p.26); and Yousef (1998, p.193).

The Pearson correlation value of -0.202 found between job insecurity and organisational commitment indicates a weak but inverse relationship between job insecurity and organisational commitment, meaning that within the study population, an employee with high levels of job insecurity will have lower levels of organisational commitment and vice-versa, although causality cannot be implied. A weak but inverse Pearson correlation value of -0.35 was also found between job insecurity and job satisfaction, indicating that within the study population, an employee with high levels of job insecurity will have lower levels of job satisfaction and vice-versa. These findings support *H1* which states that the higher the job insecurity the lower the organisation commitment, and also supports hypothesis 2 which states that the higher the job insecurity the lower the job satisfaction. However, these findings do not imply causality.

Ndlovu and Parumasur (2005, p.18) state that employees who survive a downsizing exercise feel anything but relief, they found that a prolonged period of downsizing had created a climate of intensified work regimes and a breakdown in the traditional career ladder, resulting in commitment based on fear rather than loyalty to the organisation. Furthermore, they mention that it was the breaking of the psychological contract, along with greater work demands and increased accountability, which has created the biggest problem for survivors, resulting in a loss of commitment. Downsizing particularly depresses commitment when survivors have had a close personal or working relationship with the victims, and where survivors perceive that the exercise was unfair (Meyer and Allen, 1997, p.18). Survivors often find that they feel worse about their work lives than those who were forced out after the dust of downsizing has settled.

In the present study, more than 54% of the respondents agreed or strongly agreed with the statement that they worry about the continuation of their career. It was also revealed that 53% of the respondent disagrees that they would be happy to spend the rest of their career in this organisation, while 38% of the respondents disagree and a further 18% strongly disagree that there is a chance for advancement in this job. For this company to succeed or compete with the expected competition from the second network operator (being announced shortly in South

Africa) they need an innovative, flexible and committed workforce, with vision and creativity, not one paralysed by fear.

On the dimensions of job insecurity, 63% of the respondents disagreed or strongly disagree that they will be able to continue working in this organisation. In addition, almost half of the respondents are anxious that they might become unemployed, and feel uncertain about the future of their jobs.

According to Thomas and Dunkerley (1999, p.158) survivors of downsizing are faced with stress and are fearful of further redundancies, in addition they also do not trust management. Paige (2001, p.15)) has observed that after a downsizing exercise survivors feel a sense of betrayal that the promise of lifelong learning and employment, still implicit in the employer and employee relationship, has been unceremoniously broken. Witnessing this painful and often undignified exit of their colleagues, remaining staff members are pressurised to figure out why they were so lucky to escape the retrenchment process. Employees surviving a downsizing exercise feel secretly guilty that they have survived, and are fearful that they maybe next in line to be retrenched. These survivors feel rejected and abandoned by an environment that they have come to think of as home, especially because the promise of lifelong employment still implicit in the psychological contract, has been broken (Ndlovu and Parumasur, 2005, p.20). The analyses of this study revealed that 47% of the respondents do not feel 'like part of the family' of this organisation and 38% do not feel a strong sense of belonging to the organisation. Ndlovu and Parumasur (2005, p.20) emphasise that the painful feeling caused by downsizing a exercise include, depression, betrayal, mistrust, pain, guilt, loneliness and job insecurity.

Sverke and Hellgren (2002,p.31) mention that the radical change from a traditionally secure working environment to a rapidly changing and insecure one could be expected to have an impact not only on the well-being of individuals, but also on their work attitudes and behaviour, and in the long run, on the vitality of the organisation. Following a downsizing exercise, it is the remaining employees who will determine to a large extent the level of quality and productivity and, ultimately, the organisation's survival (Burke and Cooper, 2000, p.155).

De Witte (2005, p.4) mentions that job insecurity influences various organisational attitudes and behaviours, which has consequences for the organisation too. The perception of job insecurity is frequently associated with deterioration of organisational commitment (Sverke and Hellgren, 2001, p.168) distrust of company management (Ashford *et al*, 1989, p.804), resistance against organisational change (Greenhalg and Rosenblatt, 1984, p.439), a performance decrease (De Witte, 2005, p.4) and a reduction in organisational citizenship behaviour (De Witte2005,p.4). Likewise, job insecurity seems to strengthen employee's intention to leave the company (Ashford *et al*, 1989 p.804). These attitudinal and behavioral consequences of job insecurity threaten the survival of the organisation (Greenhalg and Rosenblatt, 1984, p439). Dissatisfied and less committed employees are less dedicated to the company and its goals, and tend to ruin its social atmosphere. Additionally research shows that especially the best qualified members of the workforce try to leave the company as soon as possible, because they have a chance of finding jobs elsewhere. This departure will further weaken the organisations strength and create new costs, because expensive and time intensive new recruiting efforts have to be made once again.

Based upon the findings of this research it can be concluded that an employee who experiences high levels job insecurity will have lower levels of organisational commitment, and also that an employee with high levels of job insecurity will have lower levels of job satisfaction. The job insecurity theory has long predicted that insecure individuals will exert less effort towards organisation goals (Greenhalgh and Rosenblatt, 1984, p.439). Studies that examine survivors' attitudes in the aftermath of corporate layoffs consistently indicate that survivors' attitude such as job satisfaction, job involvement, organisational commitment, and intention to remain with the organisation become more negative. These negative reactions, combined with the fact that survivors must do more with less, make the aftermath of layoff difficult to deal with (Brockner *et al*, 1994, p414).

6.2 DEMOGRAPHIC VARIABLES

As stated in the literature, demographic variables are considered as “positional variables”, because they determine the position of the employees in a given organisation (Buitendach *et al*, 2005, p.9). The identification of background variables that correlate with the experience of job insecurity is of practical relevance, because it helps to identify specific risk groups in the working population (Näswall and De Witte, 2003, p.193). Background variables can also serve to increase the knowledge on how the experience of job insecurity can be prevented, in the context of reorganisation, including personnel reductions (Näswall and De Witte, 2003, p.194).

6.2.1 AGE

H3: Older employees experience higher levels of job insecurity than younger employees

During the last downsizing exercise that this company had undergone the policy of “last in first out” was adopted therefore the results show that only 1.9% of the respondents are under 25 years of age. Voluntary packages and early retirement were also offered to staff older than 50 years. One would notice from the results that only 5% of the respondents are over 50 years. The majority of the respondents 93.1% are concentrated between the age groups 26 to 50.

Hypothesis 3 stating that older employees experience higher levels of job insecurity than younger employees is supported. The result that older workers experienced more job insecurity is in line with previous research (Mohr, 2000, p. 339), where older employees have been found to exhibit higher levels of job insecurity than younger employees. One could assume that older employees have fewer opportunities in the labour market as the organisation in which they work for operates under a regulated monopoly. The skill that they possess cannot be utilised in South Africa until the second network operator is appointed; even then younger persons with higher education levels are preferred. Older employees probably perceive that they will be the first ones to lose their jobs because their skills may be redundant and/or because they know that the organisation will offer early retirement incentives to shrink the work force. The opportunity for this group for promotion or to further their studies does not exist, as most organisations will rather invest on employees

who will remain within the organisation for longer periods. According to Manski and Straub (2000, p.460) job search is more of a concern to older than younger employees. The rationale behind offering older employees early retirement is that if more older employees can be enticed to withdraw from the workforce voluntarily, fewer younger employees will have to be laid off forcefully (Burke and Cooper, 2000, p.189).

The findings of this research indicate that age differences do exist, and age is an important variable for management to consider when making downsizing decisions. Retrenching of the wrong employees can cost the organisation millions of Rands. According to Swanepoel *et al* (1998, p.74) age can play a role in certain situations, especially when people approach retirement. This is true in the case of the selected organisation where the job demands more physically and muscular fit employees.

6.2.2 GENDER

H4: Males experience higher levels of job insecurity than females

The results in table 5.2 show that the selected organisation has an overwhelmingly high number of males 93.7 % (n= 149) as opposed to females 6.3% (n=10). This could possibly be due to the fact that certain professions are still dominated by males. The main job description in this organisation is that of outdoor technicians whose duties are mostly performed outside the office environment and in some cases employees have to stay away from home for lengthy periods of time. According to Finnemore (1999, p.12) whole new industries have been spawned by new technology demanding highly trained employees, however redundancy has also been created by technological changes in specific industries such as telecommunication and banking, as computerization has streamlined and overtaken many of the clerical and manual processes of the past. Most of these clerical positions were held by females in the selected organisation.

The results obtained are in contrast to *H4* which states that males experience higher levels of job insecurity than females. The study indicates that there is no significant difference between job insecurity and gender. These results are in line with research done by Näswall and De Witte

(2003, p.194) where women consistently reported higher levels of job insecurity than men, however the results are in contrast to research done by Buitendach *et al* (2005, p.130) where males experience higher levels of job insecurity than females. De Witte (1999, p.161) found that the experience of job insecurity is less distressing for (most) women compared to men.

In South Africa one would have expected men to have higher levels of job insecurity than women because of the new Labour Relations Act, the Basic Conditions of Employment Act, Employment Equity Act and The Skills Development Act all of which promote the advancement of women. It can be assumed that those least advantaged by such legislation (e.g. men) will experience higher levels of job insecurity than those who benefit from this new legislation (e.g. women). On the other hand Burke and Cooper (2000, p.122) have suggested that the difficulty in identifying gender related differences in workplace job insecurity may be due to sampling bias: as in the present research men are over represented in technical and managerial positions and women are more to be found in administrative positions. This is well illustrated in Spielberger and Reheiser's (1994) cited in Burke and Cooper (2000,p.122) findings that even though the number of men and women in their sample was similar, there were nearly twice as many men in the higher occupational level group, and more than twice as many women in the lower groups.

According to Burke and Cooper (2002,p. 127) another factor that must be taken into place for women experiencing higher levels of job insecurity in the work place is the long hours companies are demanding employees to work because of shortage of staff. A possible explanation for this according to Näswall and De Witte (2003, p. 194) is that women experience a higher level of job insecurity when they are the only person bringing in an income in the family. Ndlovu and Parumasur (2005, p.19) mention that the career experience and advancement opportunities of women are different from those of men. They state that men advance faster, further and with greater compensation. Moore (2000, p.340) states that gender segregation reflects and breeds inequality, most females' jobs are characterized by low wages, limited access to employee training programmes, and little or no chance for advancement.

Neither theory nor empirical evidence gives adequate guidance on how gender differences may be expected to affect the impact of job insecurity. Research results concerning the relationship

between gender and job insecurity are contradicting and inconclusive. However, the available findings indicate that gender differences do exist, and that gender may be a crucial issue in the job insecurity domain. Carrel *et al* (1998, p.25) state that gender discrimination continue to occur, although progress is being made there still exists a “glass ceiling” for women.

6.2.3 MARITAL STATUS

H5: There are differences between the marital status groups with respect to job insecurity (married people experience higher levels of job insecurity than single people)

The majority of the employees 78 % in the selected organisation are married as reported with 18.2 % single. This could be attributed to the fact that 98% fall between the age groups 26 to 55.

Marital status was found to interact with job insecurity in this study confirming hypothesis 5 stating that there are differences between the marital status groups with respect to job insecurity (married people experience higher levels of job insecurity than single people). This result is in accordance with the finding of Yousef (1998, p.190). According to De Witte (1999, p.161) married women with children, in general experience their unemployment in a less negative way than men, a finding that has been replicated in Belgium (De Witte, 1999, p.161). He concludes that unemployment is as distressing for women as for men, when the woman is single, or when she is the sole wage-earner in the family. Hellgren and Sverke (2003, p.219) report that being married, or cohabiting, could also buffer against the negative consequences of job insecurity since living with a partner represents a source of potential social support and also makes the individual less dependant on a single income.

Very little research could be found on marital status and job insecurity; however it may be safe to assume that a married person with children will be more worried about being retrenched than a single person as they have other people dependant on them for survival. Näswall and De Witte (2003, p. 209) mention that individuals with a responsibility to take care of others would worry more about keeping their job. Burke and Cooper (2000, p.123) explain that married people experience more psychological difficulties than single people. This difference results from

greater financial hardship. Burke and Cooper concluded that when single people do not have to provide for the family, the psychological impact of unemployment is lower. Most of the married people in this organisation are males as only 6% of respondents were females.

6.2.4 RACE

H6: There are differences between the race groups with respect to job insecurity (White people experience greater job insecurity than Black people)

The results reveal that the majority of employees are Indians, 48.4% compared to only 1.3% Coloureds. Hypothesis 6 asserted that there are differences between the race groups with respect to job insecurity; White people experience greater job insecurity than Black people. *H6* was supported. This finding should however be interpreted with caution because the sizes of the sample differ drastically. Coloureds are only represented by two employees. These findings are not supported by Buitendach *et al* (2005, p.14) who found that higher levels of job insecurity exists among Black employees in South Africa. Manski and Straub (2000, p.461) found considerable differences between job insecurity of different race groups, with the job loss concern among Black group being almost double that of the White group. They go on to state that at least 25% of Blacks who are currently working perceive themselves to have at least a 50% chance of losing their jobs in the next couple of years.

However these findings show that Whites have a higher level of job insecurity and this could currently be expected in Whites because of the implementation of the Employment Equity Act No. 55 of 1998. This legislation created new job opportunities for Black workers, whereas White and even Coloured and Indian workers face fewer employment opportunities. As a consequence, one could expect that in the South African context those least advantaged by this legislation (i.e. White respondents) will experience higher levels of job insecurity than those who benefit from the new dispensation. (Buitendach *et al*, 2005, p.13).

Swanepoel *et al* (1998, p.75) emphasises that this variable is extremely relevant in the South African situation. South Africa's history of apartheid made radical discrimination in the work-

place a continuous and ongoing issue in organisations. For many years the Whites in South Africa received preferential employment opportunities at the expense of Black, Coloured and Indian communities. One of the major challenges facing the management of South African organisations today is the resolution of this issue in the workplace (Swanepoel *et al*, p.75).

Barnard and Schaap (2005, p.71) emphasise that the South African labour situation has indisputably changed dramatically in the last five years. This is the result of factors such as the new Constitution Act No. 108 of 1996, the changed political dispensation and especially the promulgation of legislation pertaining to labour. During the last downsizing exercise by the selected organisation, most of the Black employees were retrenched, because of the outsourcing exercise carried out by the selected organisation. Most of the non-core activities which were performed by the Black employees were outsourced. This has put more pressure on White employees who experience higher levels of job insecurity because the number of Blacks represented in this organisation has dropped drastically.

6.2.5 EDUCATION

H7: There are differences between the education groups with respect to job insecurity (individuals with higher education tend to experience lower levels of job insecurity)

The results revealed that only 1.3% have primary school education and 70.2% have high school education. Tertiary education is represented by 28.5%. During the last downsizing exercise in this organisation most of the level two employees were retrenched. This work group did not require high levels of education. Most of the labour intensified work that was performed by lower level education groups has been outsourced.

The present study has revealed that there is a statistically significant difference in the education groups with respect to job insecurity. *H7* is supported stating that individuals with higher education tend to experience lower levels of job insecurity. One would normally expect these low skilled respondents to exhibit the highest levels of job insecurity. The results are in line with the findings of Näswall and De Witte (2003, p.185). Manski and Struab (2000, p.448) found that job

insecurity tends to decrease with schooling. Labuschagne *et al* (2005, p.27) is of the opinion that the threat of job loss should be less problematic for the more highly educated, as such occupational groups possess more resources to counteract the adverse consequences of unemployment. In support of the present study Näswall and De Witte (2003, p.209) also found that the less education an employee has, the more job insecurity she/he will experience, partly due to the fact that lower education may limit employment alternatives.

In the context of this research the future relevance and prosperity of this organisation hinges on their ability to put customers at the core of their operations, and to provide them with service of outstanding quality. The organisation can have the most sophisticated technology and the most refined systems and processes, but without educated employees these become meaningless. The action and commitment of an educated work-force will determine whether this organisation realises their vision of becoming world-class. According to Carrrel *et al* (1998, p.28) technology has dramatically increased the skills and training necessary to perform many of the jobs in today's organisations. Kotler and Armstrong (2001, p.23) emphasise that the pace of change is so rapid that the ability to change has now become a competitive advantage.

6.2.6 POSITION IN THE ORGANISATION

H8: There are differences between the job positions that employees hold with respect to job insecurity; individuals with higher positions tend to experience lower levels of job insecurity

The majority of the respondents 80.5% are operational level one employee (OP1). Operational level two employees OP2 make up 3.2% of the population. As stated previously most of the level two employees have been retrenched.

According to De Witte (1999, p.161) research in Belgium consistently shows that the experience of unemployment is more negative among blue collar workers than among White-collar workers. Oshagbemi (1997, p. 512) states that rank is a reliable predictor of job satisfaction with workers at higher ranks being generally more satisfied with their jobs compared with workers at lower ranks. King (2000, p.79) emphasises that one of the more dramatic outcomes of the recent wave

of restructuring is that White-collar workers who had assumed that their positions were secure now have to deal with potential or actual job loss. The results revealed that positions in the organisation had a small yet statistically significant effect on job insecurity. Employees on the lowest grade showed higher levels of job insecurity. These results fit *H8* stating that there are differences between positions in the organisations' groups with respect to the mean job insecurity which is supported by De Witte (1999, p.161).

Näswall and De Witte (2003, p.207) confirm that employees in lower positions appear to be more prone to experience job insecurity than other groups of employees. Their result reflects the powerlessness of workers on lower levels experience when faced with threat. These employees lack the social network or financial resources to seek help or escape from the situation. Lower level employees will lack the skills that will assure their employability in other organisations, therefore their levels of job insecurity will be high.

According to Laudon and Laudon (2000, p.260) telecommunication can be defined as the communication of information by electronic means, usually over some distance. Previously, telecommunication meant voice transmission over telephone lines. Today a great deal of telecommunication transmission is digital data transmission, using computers to transmit data from one location to another. For employees to succeed in this industry one needs to further their education at the pace of these changes, therefore lower level employees feel very insecure in this industry.

6.2.7 TENURE

H9: There are differences between the tenure groups with respect to job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity.

The results reveal that only 3 % of respondents have tenures of less than 5 years, and 3.8% have tenures of more than 30 years. This could be attributed to the fact that during the last downsizing exercise the majority of the younger employees were retrenched, because the company adopted the policy of "last in first out" and the majority of older employees opted to take early retirement.

Hypothesis *H9* is supported which states that there are differences between the tenure groups with respect to job insecurity; individuals with shorter tenure tend to experience higher levels of job insecurity. Yousef (1998, p.190) as well as Hellgren and Sverke (2003, p.219) in their research found that a relationship exists between job insecurity and tenure, employees with shorter tenure are more likely to experience higher levels of job insecurity. As noted by Labuschagne *et al* (2005, p.27) , given that “ last in first out” policy followed by many organisations, increased tenure is expected to be associated with decreased job insecurity.

6.3 CONCLUSION

The results of the present study indicate that there is a relationship between job insecurity, organisational commitment and job satisfaction supporting hypothesis 1 and 2. The results further revealed that age, gender, marital status, race, education, position in the organisation and tenure does contribute to the variations with job insecurity among employees. The findings of this research supported all of the hypotheses except *H4* stating males experience higher levels of job insecurity. This difference was explained in the discussion. Given the continued prevalence of restructuring, even in robust economic times, and the various other antecedents to job insecurity, job insecurity among employees would appear to be a permanent part of the business landscape and Managers in this organisation will need to come to terms with employees who approach both their careers and companies differently. Less organisational loyalty and citizenship behaviour, more career loyalty along with increase attention to alternative employment appear to be the cost organisations pay for the flexibility of trimming and growing employment roles to quickly mirror the competitive environment. Managers need to concentrate on decreasing the level of job insecurity among the employees, as it can result in higher levels of job satisfaction and organisational commitment. Although it could be difficult to address the perceived level of job insecurity of employees a number of recommendations follow which could assist the organisation to curtail the level of job insecurity.

CHAPTER SEVEN

RECOMMENDATIONS

7.1 INTRODUCTION

Given the importance of job insecurity, understanding the factors that are related to it will provide a basis for preventative programs. If job insecurity has detrimental consequences for employee's attitudes and well-being, then the question of how to reduce these negative consequences is a high priority. According to Sverke and Hellgren (2002, p.34) organisations can take measures to prevent the most negative impact of job insecurity from occurring by providing accurate information, enhancing communication, supplying retraining for alternative employment, and training their employees in how to cope with stress created by job insecurity. Reducing the phenomenon of job insecurity is not wholly possible, however a certain degree of insecurity and obscurity is perhaps unavoidable in economically troubled times. Managers should encourage suggestions from employees on how to counter (or buffer) the negative effects of job insecurity.

Job insecurity is problematic because it implies unpredictability and uncontrollability.

Insecure employees are uncertain about whether they will retain or lose their current job. As mentioned earlier they are 'groping in the dark' as far as their future within the organisation is concerned. The component of uncertainty inherent in job insecurity makes it a potent work stressor. It is argued that the lack of predictability or knowledge of what is to come in reference to the present job would give rise to distress in the individual.

This theoretical explanation allows the formulation of some practical recommendation. By reducing unpredictability and uncontrollability, the negative consequences of job insecurity could be avoided or at least mitigated. The following are ways in which managers can achieve this.

7.2 PSYCHOLOGICAL CONTRACT

A psychological contract refers to ‘an individual’s beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party’ (Burke and Cooper, 2000, p.136). According to De Witte (2005, p.4) a psychological contract theory refers to the perceived mutual obligation between employer and employee. Burke and Cooper (2000, p.136) state that fairness and good faith are implied in psychological contracts, and violations have strong implications on employees’ trust in the organisation, performance and behaviour. Even though a psychological contract is subjective and not legally enforceable, the violation of this contract can erode an employment relationship (De Witte, 2005, p.4). A typical issue in a psychological contract is the promise of job security by the organisation. Employees feel a sense of ownership and entitlement about their jobs, and they tend to expect their employment to be guaranteed. However psychological contracts are dynamic in nature and employers’ obligation in regard to job security tend to change, subject to environmental and business constrictions (Burke and Cooper, 2000, p.136). An employer’s withdrawal from a former guaranteed employment policy is viewed as a contract violation. Such a violation has negative consequences for the well-being of the employee concerned, as well as for his commitment to the employer in question. (Bosman *et al* 2005, p.32) are of the opinion that the impact of the changing world of work is perhaps most evident in changes in the psychological contract. Employees are expected to give more in terms of time, effort, skills and flexibility, whereas they receive less in terms of career opportunities, lifetime employment, and job security. With the decreasing job security brought on by a dynamic and competitive business environment it is imperative for managers to understand, clarify and manage psychological contracts. Various Human Resource policies and procedures can contribute to the development of a psychological contract, for instance, Human Resource researchers have characterised how recruitment, training, compensation, and benefits can encourage the formation of a psychological contract. However the researcher stresses the importance of clarifying and managing these processes so as to avoid or minimise unintended obligations in the minds of employees. Managers should exert efforts to avoid creating psychological contact for job security. They should ensure that an organisation’s policies and procedures do not legally obligate it to provide more security than intended.

7.3 COMMUNICATION

Managers must try to ensure that employees are not unnecessarily pessimistic about company prospects. This can be done in part by making sure accurate information is communicated by company leaders on a frequent basis and dialogue is encouraged. Open communication is critical in the face of uncertainty in order to minimise negative consequences. According to De Witte (2005, p.4) job insecurity is stimulated by lack of communication about future events, research suggests that explicit and open communication regarding e.g. organisational change is effective in reducing insecurity. Open honest and early communication increases the predictability and controllability of future events. Additionally such communication increases the perception that one is respected as an employee. Emphasis is placed on communication, indicating that survivors need to be informed of all developments in the organisation after downsizing. This will then impact more on the level of trust survivors' show towards the organisation. If employees trust the organisation, then it results in high level of commitment and loyalty, indicating the level of sacrifice the survivors will show after the process.

7.4 PARTICIPATION

Downsizing may assist an organisation to survive, but in order for the process to work management must make sure that employee reaction is considered for the following important reasons:

- ✚ employee's participation in decisions about the organisation's future and about employment will reduce their insecurity;
- ✚ by participating, employees increase their control over the situation;
- ✚ participating in the decision making process heightens the predictability of events; and
- ✚ participation strengthens the perception that employees are treated fairly by the employer, which in turn influences survivor's work attitudes, performance, and well-being.

The basic idea underlying this concept is that employee participation in decision making will have beneficial consequences for their work attitude and well-being, and may even moderate the negative effects of downsizing induced stress on such outcome. Burke and Cooper (2000, p.8)

state that individuals report higher job satisfaction when they have an opportunity to provide input into how decisions are made. Lind and Tyler, (1988) cited in Sverke and Hellgren (2002, p.35) found that participation (i.e. being kept informed and involved over the course of downsizing) was associated with improved job satisfaction and organisational commitment.

7.5 KEY EMPLOYEES

Open communication is critical in the face of uncertainty in order to minimise negative consequences. Where it is too difficult or disingenuous to smooth over or persuade all employees that a negative outlook is unwarranted, management may need to target key employees and positions. Key people at all levels may need to be given personal, financial, or even (legally) contractual assurance that despite a generally negative outlook their jobs are secure. Management need to develop and maintain a high level of trust and rapport with employees so that assurances (personal as well as general) will be seen as credible. They must determine cost effective creative, perhaps novel compensation, incentive, and development plans that indicate to key employees that they are valued, thus making it less attractive for these employees to leave. While often overlooked, perhaps the biggest issue and the greatest contribution Human Resource Management can make in this environment is in the area of evaluation and appraisal. They must be able to accurately identify key personnel and positions in order to target them in anyway. The Human Resource Manager needs to emphasise this point and ensure this critical process is well designed and managed.

7.6 SUCCESSION PLANNING

Given job insecurity and its consequences, management should be prepared for voluntary turnover among high flyers who may look to jump before being pushed at the first sign of uncertainty or who as they adopt a free agent mentally, may continually seek and evaluate alternative job opportunities. This suggests a need for continued or perhaps constant attention to succession planning and the external market, regardless of whether a company has a position currently open. With the announcement of the second network operator in South Africa management must be aware that this new company might poach talented employees. Succession

planning will ensure that a sufficient supply of appropriately qualified and capable men and women are available to meet the future needs of the organisation. Such men and women should be available readily to fill vacancies caused through retirement, death, resignation, promotion, transfer of staff or through the establishment of new positions.

7.7 CHANGE

The development of employees' capacities to cope with organisational change appears important. Organisational change is an inherent part of economic development making it important to strengthen employees' capacity to manage such change in a constructive way. Improving employees "employability" can also play an important role. Employability refers to the development of professional skills in general (such as language competence, adult basic education and training for lower level employees) but also to the acquisition of interpersonal skills such as learning to cope with change. Research suggests that employability can indeed buffer the negative consequences of job insecurity on health (De Witte, 2005, p.4).

7.8 EFFORT AND REWARD

Negative consequences for the well-being of employees' results from an imbalance between effort and reward in the work situation. An imbalance between effort and reward can be resolved in two ways. The presence of insecurity could be compensated by increasing other rewards, such as pay or status. The lack of balance could also be restored by reducing efforts e.g. by decreasing workload (redistributing tasks). These balancing exercises are probably not very realistic in times of economic cutbacks however, each of the suggested adjustments has cost implications for the organisation, which may be difficult to realise.

7.9 TRAIN AND RETRAIN EMPLOYEES

Employers seeking to avoid layoffs can reap enormous benefits from training and retraining programs. The organisation will need new skills and abilities in the future. The cost of equipping current workers with these skills maybe far less than the costs of competing for skilled workers in the open market. The saying “people are our most important asset” is absolutely correct with respect to high-technology companies. Management must create an exciting work environment where people work hard but have fun and are passionate about being on the cutting edge and doing incredible new things that will affect the future of the world” (Thompson and Strickand, 2001, p.353). The selected company needs to adopt this principal as soon as possible to fulfil their passion of becoming a world-class company. They need to use a variety of practices to develop their knowledge base:

- ✚ put employees through training programs that continue not just through their early years but also throughout their careers;
- ✚ give employees challenging, interesting and skills–stretching assignments;
- ✚ rotate them through jobs so that they can become multi-skilled;
- ✚ encourage employees to be creative and innovative;
- ✚ foster a stimulating and engaging work environment, such that employees will consider the company a “great place to work”; and
- ✚ exert efforts to retain high-potential, high performing employees with salary increases, performance bonuses etc.

7.10 SUPPORT EMPLOYEE DEVELOPMENT

Job insecurity has the greatest impact on career advancement opportunities, indicating that after downsizing and the transformation process, management has to ensure that the survivors are given the chance for development. Employees are generally insecure regarding their occupational futures, many not knowing how their desired futures fit in with their potential career paths within the organisation. As noted by Rothmann (2003, p.16) tracking employees effectiveness in coping with demands of the new world of work, and stimulating their growth in areas that could possibly impact on individual well-being and organisational efficiency and effectiveness are crucial.

Studies show that employees are more committed to employers who are more committed to the employee's long term career development. The best route to employee commitment is for organisations to take the time and trouble to provide each employee the experience he/she needs.

Managers must provide assistance to employees who need to establish career paths. Vermeulen (2005, p.40) refers to this kind of support as retrenchment with dignity. To ensure that those who are retrenched retain their self esteem and dignity, retrenchment must be managed in a responsible manner. The employee must be provided with all the relevant information. The redundancy and retrenchment must be communicated with clarity and sensitivity and the retrenched employees must be assisted in securing a suitable new career.

7.11 OUTPLACEMENT PRACTICES

Outplacement practices are used to mitigate and decrease the negative effects of retrenchments and lay offs on employees, their families and the survivors, this could include:

- ✚ severance pay and extended benefits;
- ✚ job search facilities;
- ✚ access to job listing and career opportunities;
- ✚ the development of interviewing and self marketing skills;
- ✚ retraining;
- ✚ assistance with financial and lifestyle planning; and
- ✚ counseling services for a laid off employee or his/her spouse.

It is also in the organisation's best interest to offer an employee who is retrenched outplacement support as part of the severance package. The least visible and most powerful reason for outplacement is to improve the morale of those left behind. Survivors of retrenchment want to know that their former colleagues have been treated fairly. Outplacement support also protects downsizing organisations from liability and unwarranted legal challengers.

7.12 HANDLING OF RETRENCHMENT

The procedural and distributive elements of retrenchment need to be managed with sensitivity to ensure positive psychological and economic outcomes. Managers need proper people management skills necessary to ensure that retrenchment is handled sensitively and justly. Managers should lead by vision and values and not by command. It is more important for management to help survivors to focus on the larger vision of what is needed, emphasizing the strategies and values that will help make the vision attainable. Managers should meet regularly with survivors to map goals and to seek ideas on how they can work together to meet the goals.

7.13 CONCLUSION

The result of this study indicated that there is a relationship between job insecurity, organisational commitment and job satisfaction. Managers should concentrate on decreasing the levels of job insecurity among their employees as it can result in higher levels of job satisfaction and organisational commitment. The researcher acknowledges that reducing the phenomenon of job insecurity is not wholly possible; however managers can take measures to prevent the most negative impact of job insecurity from occurring. Recommendations on how to prevent the negative impacts were discussed in this chapter; the next chapter states the limitation of the study and provides areas for future research.

CHAPTER EIGHT

LIMITATIONS OF THE STUDY AND RECOMMENDATIONS FOR FUTURE RESEARCH

8.1 LIMITATIONS OF THE STUDY

Although the objectives of the study were achieved there were aspects which caused limitations to the study and should therefore be identified as potential sources of error.

One of the limitations of this research is the small sample size, N=160. The sample was only taken from the Pietermaritzburg area, the rest of South Africa could not be covered due to time and financial constraints. The small sample is seen as a weakness, which may affect the validity and reliability of the findings. This is due to the fact that a quantitative research method was used to gather and analyse the data, and it is generally accepted that for quantitative research studies, the bigger the sample size, the more valid and reliable the data findings are.

Clearly the sampling approach has implications for the external validity of the results since there is no way of guaranteeing that each element in the population will be represented in the sample. Also, it must be acknowledged that the convenience sampling procedure that involves using convenient or available elements in the sample may mean that certain groups are over represented in the sample while others are under represented. Executives, Senior Managers and Managers were not part of this survey. Pietermaritzburg has 3 managers, none of them were present when the survey was done and no Senior Managers or Executives are stationed in Pietermaritzburg. This means that the sample cannot be assumed to be representative of the population as a whole.

The task of administering and collecting the data was heavily constrained by time and it is assumed that all respondents were honest in their responses, as the research results are dependant on the reliability and honesty of the respondents. Finally, no qualitative data was collected which may have been useful in adding meaning to the statistical findings.

8.2 FUTURE RESEARCH

To date, research on the consequences of job insecurity has focused especially on the well-being and health of individual employees. Attention has also been given to organisational consequences. Reviewing this field, suggests that it becomes necessary to broaden the focus of future research. Management might find it worthwhile to investigate the consequences of job insecurity for the employee's family:

- ✚ Does job insecurity impact on the employee's partner and children?
- ✚ What are the effects of job insecurity on broader social networks, such as neighbours and friends?

The researcher believes that future research is needed to examine how the negative effects of job insecurity can be reduced. Three areas of moderators seem especially important:

- ✚ individual differences;
- ✚ fairness perceptions; and
- ✚ social support- future research should also examine the social support labour unions can provide employees in situations of retrenchment.

Very few studies regarding the relationship between job insecurity and general health in a South African context has been done. Research regarding this relationship may assist the selected organisation in bringing down absenteeism levels.

Job insecurity may also have a detrimental effect on employees' safety attitude, behaviours and outcomes. Employees lose their lives due to work related injuries, "is job insecurity contributing to these workplace accidents"? In today's weakened economy with its record layoffs, it appears imperative that organisation pay close attention to the safety and production messages being conveyed to employees, lest these messages lead to a deterioration of employees safety outcomes. Future research should be carried out to establish if job insecurity contributes to workplace accidents.

8.3 CONCLUSION

Job insecurity has a number of affects in the working environment, such as high turnover, low productivity, high wastage, role ambiguity, absenteeism and low motivation. Future studies may assess the significance of the aforementioned correlates.

Finally, this study should be extended to include the rest of the selected organisation through out South Africa in order to investigate the impact of the last wave of downsizing on the survivors. The information obtained can be of value when creating career management development, selection support and training programmes.

The next chapter provides a conclusion to the research.

CHAPTER NINE

CONCLUSION TO THE RESEARCH

9.1 INTRODUCTION

In accordance to the literature on job insecurity, organisational commitment and job satisfaction, the results of this study fulfilled the main aim showing that job insecurity is associated with reduced organisational commitment and reduced job satisfaction, which finds support in research done by Ashford *et al* (1989, p.820); Brockner *et al* (1998, p.418); Buitendach and De Witte (2005, p.28); Probst and Brubaker (2001, p.139); Sverke and Hellgren (2002, p.26); and Yousef (1998, p.193). Based upon the findings of this research it can be concluded that an employee who experiences high levels of job insecurity will have lower levels of organisational commitment, and also that an employee with high levels of job insecurity will have lower levels of job satisfaction.

9.2 ORGANISATIONAL CHANGE

Downsizing and other forms of organisational change involving layoffs, outsourcing, organisational restructuring will continue as production and overhead costs remain non-competitive, and thus render job insecurity a lasting characteristic of working life. Its negative reaction, combined with the facts that uncertain job situations tend to increase change resistance that the most valuable individuals are more inclined to seek other job alternatives and that survivors have to do more with fewer resources, suggest that job insecurity is of vital concern for both employees and their organisations.

9.3 CONCLUSION

Managers must develop interventions to cope with job insecurity and its consequences, and to increase research efforts in order to understand this phenomenon and its underlying processes. The tasks of handling survivors would not be difficult if management recognises that the

survivors have special needs, and provide the emotional support they deserve and ensure continuous and honest communication. Tracking employee's effectiveness in coping with demands of the new world of work and stimulating their growth in areas that could possibly impact on individual well-being and organisational efficiency and effectiveness are crucial for survival. Companies need to find new creative ways of making work challenging and participative, which can lead to a sense of loyalty, which translates into new kind of security.

As flexibility of the labour market is likely to increase even more rapidly in the future, the selected organisation faces challenges from many directions on the road to becoming a world class company. Significant changes have been made to the company size, structure, and technology in preparation for competition from other network operators. Shareholders expectation will have to be met, but in the words of the Chief Executive Officer, "the company can have the most sophisticated technology and the most refined systems and processes, without employees these become meaningless". Management need to bring down the level of job insecurity in order to increase job satisfaction and organisational commitment, which will in turn assist the organisation to become "world-class".

CHAPTER TEN

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APPENDIX 1

CONSENT FORM

Dear Participants

My name is Sam Pillay, I intend conducting research towards my MBA through the UKZN under the supervision of Dr. Karen Ortlepp.

The main purpose of the study is to investigate the relationship among a number of key employee attitudes. Please can you take thirty minutes to complete the following questionnaires? Note that participation is on a voluntary basis. Your answers to the questions and all other information you give will be held in strictest confidence. To ensure anonymity please do not write your name anywhere on the survey.

Please return completed surveys directly to the principal researcher, and not to your supervisors. Your co-operation in this regard will be greatly appreciated.

There are four sections

Consent Form

I (Full name of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

Signature:

Date:

APPENDIX 2

Biographical Information

Please provide the following biographical information that will be used purely for research purposes.

1.	Gender.	
2.	Marital Status.	
3.	Race.	
4.	How old were you on your last birthday?	
5.	Highest level of education obtained?	
6.	What is your position in the organisation? (e.g. Manager; Operational Manager;OP1;OP2)	
7.	How long have you been in the organisation?	
8.	Which division do you work for?	

Appendix 3

J11- Questionnaire

Please read carefully through the statement and answer them as honest as possible, using the following scale:

1 = Disagree strongly. 2 = Disagree. 3 = Neither disagree nor agree.
4 = Agree. 5 = Agree strongly

1.	I think that I will be able to continue working here.	1	2	3	4	5
2.	There is only a small chance that I will become unemployed.	1	2	3	4	5
3.	I am certain/sure of my job environment.	1	2	3	4	5
4.	I am very sure that I will be able to keep my job.	1	2	3	4	5
5.	It makes me anxious that I might become unemployed.	1	2	3	4	5
6.	I feel uncertain about the future of my job.	1	2	3	4	5
7.	I worry about the continuation of my career.	1	2	3	4	5
8.	I fear that I might lose my job.	1	2	3	4	5
9.	I fear that I might get fired.	1	2	3	4	5
10.	There is a possibility that I might lose my job in the near future.	1	2	3	4	5
11.	I think that I might be dismissed in the future.	1	2	3	4	5

APPENDIX 4

MSQ- Questionnaire

Please read carefully through the statement and answer them as honest as possible, using the following scale:

1 = Very dissatisfied. 2 = Dissatisfied. 3 = I can't decide whether I am satisfied or not. 4 = Satisfied. 5 = Very satisfied.

On my present job, this is how I feel about:

1	Being able to keep busy all the time.	1	2	3	4	5
2	The chance to work alone on the job.	1	2	3	4	5
3	The chance to do different things from time to time.	1	2	3	4	5
4	The chance to be "somebody" in the community.	1	2	3	4	5
5	The way my boss handles his men.	1	2	3	4	5
6	The competence of my supervisor in making decisions.	1	2	3	4	5
7	Being able to do things that don't go against my conscience.	1	2	3	4	5
8	The way my job provides for steady employment.	1	2	3	4	5
9	The chance to do things for other people.	1	2	3	4	5
10	The chance to tell people what to do.	1	2	3	4	5
11	The chance to do something that makes use of my abilities.	1	2	3	4	5

MSQ- Questionnaire Continued

12	The way company policies are put into practice.	1	2	3	4	5
13	My pay and the amount of work I do.	1	2	3	4	5
14	The chance for advancement on this job.	1	2	3	4	5
15	The freedom to use my own judgment.	1	2	3	4	5
16	The chance to try my own methods of doing the job.	1	2	3	4	5
17	The working conditions.	1	2	3	4	5
18	The way my co-workers get along with each other.	1	2	3	4	5
19	The praise I get for doing a good job.	1	2	3	4	5
20	The feeling of accomplishment I get from my job.	1	2	3	4	5

APPENDIX 5

OCQ- Questionnaire

Please read carefully through the statement and answer them as honest as possible, using the following scale:

1 = Disagree strongly. 2 = Disagree. 3 = Neither disagree nor agree.

4 = Agree. 5 = Agree Strongly

1.	I would be very happy to spend the rest of my career in this organisation.	1	2	3	4	5
2.	I enjoy discussing my organisation with people outside it.	1	2	3	4	5
3.	I really feel as if this organisation's problems are my own.	1	2	3	4	5
4.	I think I could easily become as attached to another organisation as I am to this one.	1	2	3	4	5
5.	I do not feel like "part of the family" at my organisation.	1	2	3	4	5
6.	I do not feel "emotionally attached" to this organisation.	1	2	3	4	5
7.	The organisation has a great deal of personal meaning to me.	1	2	3	4	5
8.	I do not feel a strong sense of belonging to my organisation.	1	2	3	4	5



RESEARCH OFFICE (GOVAN MBEKI CENTRE)
WESTVILLE CAMPUS
TELEPHONE NO.: 031 - 2603587
EMAIL: ximbap@ukzn.ac.za

4 AUGUST 2006

MR. S PILLAY (992240345)
MANAGEMENT STUDIES

Dear Mr. Pillay

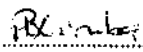
ETHICAL CLEARANCE: "JOB INSECURITY, JOB SATISFACTION, AND ORGANISATIONAL COMMITMENT IN A TELECOMMUNICATION COMPANY"

I wish to confirm that ethical clearance has been granted for the above project, subject a declaration section for participants to sign being included on the informed consent documents:

This approval is granted provisionally and the final clearance for this project will be given once the above condition has been met. Your Provisional Ethical Clearance Number is HSS/06128

Kindly forward your response to the undersigned as soon as possible

Yours faithfully


MS. PHUMELELE XIMBA
RESEARCH OFFICE

PS: The following general condition is applicable to all projects that have been granted ethical clearance:

THE RELEVANT AUTHORITIES SHOULD BE CONTACTED IN ORDER TO OBTAIN THE NECESSARY APPROVAL SHOULD THE RESEARCH INVOLVE UTILIZATION OF SPACE AND/OR FACILITIES AT OTHER INSTITUTIONS/ORGANISATIONS. WHERE QUESTIONNAIRES ARE USED IN THE PROJECT, THE RESEARCHER SHOULD ENSURE THAT THE QUESTIONNAIRE INCLUDES A SECTION AT THE END WHICH SHOULD BE COMPLETED BY THE PARTICIPANT (PRIOR TO THE COMPLETION OF THE QUESTIONNAIRE) INDICATING THAT HE/SHE WAS INFORMED OF THE NATURE AND PURPOSE OF THE PROJECT AND THAT THE INFORMATION GIVEN WILL BE KEPT CONFIDENTIAL.

cc. Faculty Officer (Post-Graduate Studies)

→ cc. Supervisor (Dr. K Ortlepp)